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ABSTRACT

Chapter 1 of this manual for school district officials, board members, and students of school administration introduces educational programs, expenditures, and revenues as the three basic considerations of budget making. While chapter 2 discusses major aspects of the general fund budget (resources availabale to finance the school district's educational and support programs), chapter 3 outlines the duties of the district business official, who may function either as an administrator in his own right or as an advisor in maintaining budgetary control. Chapter 4 details the budgeting of various special funds not covered under the general fund, including adult education and deferred maintenance. Chapters 5-7 cover long-range budget planning, communication of budget information to the community at large, and district budget evaluation. Interspersed throughout the manual are 26 figures, including a sample district budget calendar, expenditure reports, and work sheets for projecting salaries, fringe benefits, and income. (JBM)

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ADMINISTRATION of the SCHOOL DISTRICT BUDGET

SCHOOL BUSINESS ADMINISTRATION
PUBLICATION NO. 7

CALIFORNIA STATE DEPARTMENT OF EDUCATION
Bill Honig, Superintendent of Public Instruction
Sacramento, 1983

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ADMINISTRATION OF THE SCHOOL DISTRICT BUDGET

1983 EDITION

Prepared under the direction of the
Field Management Services Bureau

With the cooperation of the
California Association of School Business Officials

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Contents

Page

Preface v
Budget Research and Development Committee of the California Association of School Budget Officials, Northern Section vii

Chapter

I. **Introducing the School District Budget** 1
Responsibility for the Budget 1
Basic Legal Requirements 1
Development of a Budget 2
Chapter Summary 2

II. **Developing the General Fund Budget** 3
Planning for the Budget 3
Developing the Expenditure Plan 3
Estimating Revenue 5
Balancing Expenditures and Revenues 7
Acting on the Budget 8
Chapter Summary 8

III. **Maintaining Budgetary Control** 12
Role of the Business Official 12
Legal Controls on the Budget 12
Use of Unbudgeted Revenue 13
Expenditure Control 13
Revenue Control 13
Deficit Funding 14
Tools for Budget Implementation 14
Budget Status Report 14
Chapter Summary 16

IV. **Budgeting Special Funds** 27
Bond Interest and Redemption Fund (II) 27
Building Fund (III) 28
Special Reserve Fund (IV) 28
State School Building Fund (V) 29
Cafeteria Fund or Account (VI) 29
Child Development Fund (VII) 30
Adult Education Fund (VIII) 31
Other Special Funds (IX) 31
Deferred Maintenance Fund (X) 31
Chapter Summary 32

V. **Planning the Long-Range Budget** 33
Budget Clarification 33
Factors Affecting Expenditures 33
Factors Affecting Income 34
Chapter Summary 35

5

VI. Communicating with the Community 43
What Should Be Communicated? 43
Ways of Communicating 43
Chapter Summary 44

VII. Evaluating the District Budget 53
Budget Philosophy 53
Budget Development 53
Budget Program 53
Budget Administration 53

Appendix—Suggested Budget Checklist 55

Selected References 60

List of Figures

Figure *Page*

1 Budget calendar and general and special instructions 9
2 Sample district budget calendar 10
3 Sample district budget allocation formula 11
4 Report of income 17
5 Report of expenditure by object 18
6 Report of expenditure by program 19
7 Report of expenditure by site 20
8 Report of cash flow 21
9 Report of average daily attendance 22
10 Position control by program 23
11 Personnel status report 24
12 Cost projection report 25
13 Financial position analysis 26
14 Work sheet for projecting enrollment 36
15 Sample work sheet for nonpersonnel costs 37
16 Work sheet for tentative allocations—certificated staff 38
17 Work sheet for projecting salaries 39
18 Work sheet for projecting fringe benefits 40
19 Work sheet for projecting income 41
20 Long-range ending balance—recapitulation 42
21 Sample table of contents for a budget and financial report 45
22 Sample income charts 46
23 Sample expenditure charts 47
24 Sample calendar for board and community activities 48
25 Sample district budget 49
26 Sample program budget 51

Preface

Our society demands the highest quality and most diversified educational offerings that can be made available, consistent with the funds provided from federal, state, and local sources. Providing quality educational programs of a diversified nature is very expensive, especially in these times. Therefore, it is essential that school officials use the best possible management techniques in providing quality programs that meet the educational needs of their pupils.

The *Administration of the School District Budget* was first published in 1959 to help school officials develop budgets in response to the wishes of their communities. The manual has been revised several times since then.

Publishing this edition of the school business administration publication culminates a two-year effort on the part of the Budget Committee of the California Association of School Business Officials in cooperation with officials in the Department of Education. It is the result of the dedicated effort on the part of the committee to bring into focus not only the nature of the budget as a fiscal instrument of control but also the need for the involvement of community and school resources as the district pursues the goal of practicing effective school management. We are grateful to the members of the committee, whose names appear elsewhere in this publication, for their efforts.

We recommend that this manual be on the reading list of all school district officials, school district governing board members, and students of school administration.

GILBERT R. MARGUTH, JR.
Deputy Superintendent for Administration

ERNEST LEHR
Chief, Field Management Services Bureau

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Although the Northern Section was assigned the task of preparing the final draft of this publication, appreciation is extended to all of the sections for their effort and input. The California Association of School Business Officials especially appreciates the assistance provided by the State Department of Education's Local Assistance Bureau in preparing the final draft of the manual.

Chapter I

Introducing the School District Budget

The school district budget is an expression in dollars and cents of the educational program. The budget, which is an estimate of proposed expenditures and revenues for a stated period of time and for stated purposes, can serve many important functions, including the following:

1. Describes the planned district educational program, including all support services
2. Outlines fiscal controls that the governing board of the district will employ in discharging its responsibility for district expenditures
3. Informs the public of the educational program and the funds needed for program operation
4. Makes available to the governing board, the staff, and the community information that determines the resources needed to support the educational program

Responsibility for the Budget

The governing board of the school district has the responsibility for meeting all legal requirements pertaining to the development and adoption of the district's budget. The board should, therefore, have a detailed plan for meeting this responsibility. The budget plan should include (1) a comprehensive statement of the board's policy on all matters relating to the budget; (2) a designation of the official assigned the major responsibility for compiling the budget; and (3) a detailed calendar for accomplishing the required work. The plan should be reproduced and made available to members of the staff who assist in budget preparation so that they may proceed in doing the work assigned to them. Because it is a public document, the plan should be available to all interested parties.

Basic Legal Requirements

Basic legal requirements that must be observed in preparing and adopting a budget are as follows:

1. On or before July 1, the district shall file with the county superintendent of schools a tentative budget signed by the clerk or secretary of the school district's governing board or its designee and shall indicate the date, time, and location of the public hearing required by Education Code sections 42127(a) and 42127(a)(1).
2. On or before August 1, the county superintendent:
   a. Shall examine and make technical corrections to the tentative budget
   b. Shall make recommendations to ensure that the budget is realistic
   c. May accept changes in the date, time, and location of the public hearing required by Education Code Section 42127(b)(1—4)
3. The county superintendent or the county auditor shall compute the actual amounts to be levied on the district's property tax roll. Each district shall provide all data needed by the county superintendent or county auditor. The county superintendent shall transmit the computed amount on or before August 15 to the county auditor. On or before September 1, the county auditor shall submit the calculated rate to the board of supervisors for adoption (Education Code Section 42127[c]).
4. The proposed budget shall be made available by the district for public inspection during the last week in August (Education Code Section 42103).
5. Notification of the dates and locations where the public may inspect the budget and the date, time, and location of the public hearing shall be published by the county superintendent of schools at least three days prior to the last week in August *in a newspaper of general circulation in the district* (Education Code Section 42103).
6. The governing board shall hold a public hearing on the proposed budget prior to the end of the first week of September. The final budget shall not be adopted until the public hearing has been held (Education Code Section 42103).
7. On or before September 7, the governing board shall adopt a final budget and shall file such budget with the county superintendent of schools (Education Code Section 42127[d]).
8. On or before September 15, the governing board of each school district shall prepare for public inspection a statement of the previous year's receipts and expenditures and an estimate of the

current year total expense (Education Code Section 42100).

9. The county superintendent shall approve each school district's budget as officially adopted and submitted by the district's governing board. On or before September 15, the county superintendent shall file one copy of the adopted budget with the county board of supervisors, one copy with the county auditor, and one copy with the Superintendent of Public Instruction (Education Code Section 42127[e]).

   Note: Districts not requiring all or a portion of the property tax levied for making principal and interest payments on general obligation bonds or other indebtedness should pay particular attention to Education Code Section 42127(a)(2).

The major emphasis of the foregoing has been on legal responsibilities of the district governing board, county superintendent of schools, and other county officers in meeting deadlines and in preparing, examining, and approving the school district budget. In addition to meeting the legal requirements, the district governing board retains the responsibility for budget preparation, establishment of policies on which the budget is based, and collection and organization of budgetary data. It also works with various groups in developing the budget, studies estimated revenues and expenditures, and takes into account the district's experience and planning during the preceding years.

Development of a Budget

The three basic considerations in budget planning are (1) educational program and support services; (2) expenditures necessary to support the recommended program; and (3) sources of revenues required. Each of these considerations must be interrelated parts of a total plan.

Educational Program and Support Services

Each school district has the responsibility for maintaining (1) an educational program that meets the standards set by law; (2) such additional programs as are desired to meet educational needs; and (3) any services needed to support the educational program.

Expenditures

The planned program of education must be analyzed to accommodate the number of students who will participate. This analysis will assist the district in determining the required costs of staff, supplies, equipment, and facilities. In any analysis of any program to be offered, answers should be sought for questions such as the following:

How many students will be enrolled?

What staffing (salaries and benefits) will be needed?

1. Certificated
2. Classified
3. Other

What materials will be needed?

1. Books
2. Supplies
3. Instructional media
4. Replacement of equipment

What support services will be needed?

1. Instructional—administration
2. Instructional—media
3. School administration
4. Pupil services
5. Maintenance
6. Operations
7. Transportation
8. District administration
9. Food services

What capital outlay will be needed?

1. Facilities
2. Equipment

Sources of Revenue

After the proposed expenditures have been projected and the cost of the proposed program has been determined, estimates should be made of funds that may be received from federal, state, county, and local sources. At that time it may be necessary to make reductions in the proposed program in order to present a balanced budget.

Chapter Summary

The three basic considerations in budget making are (1) the educational program and its support services; (2) the expenditures required to operate the program; and (3) the revenues needed. The budget establishes the guidelines the district will follow and the level of financial effort required.

The district governing board has the legal responsibility for the preparation and adoption of a budget. The board can facilitate this responsibility by adopting a clearly defined statement of budget development policy.

Chapter II

Developing the General Fund Budget

The General Fund can be described as the resources available to finance the district's educational and support programs. (The General Fund does not include special funds appropriated for specific purposes [see Chapter IV].) The General Fund budget is a record of the planned expenditure of the available resources.

This chapter deals with five major subjects: (1) planning for the budget; (2) developing the expenditure plan; (3) estimating revenue; (4) balancing expenditures and revenue; and (5) acting on the budget.

Planning for the Budget

The following planning techniques may be beneficial in developing the district's budget.

Advisory Committees

When choosing a budget development method, each district must tailor the level of detail to the district's particular size and style of operation. Although a high degree of involvement of board, administration, and staff is recommended, committee research indicates that many districts in California do not use budget advisory committees in their budget development process. Indications are that the superintendent is carrying the major budget development load. If it is feasible in your budget process, considerable staff input should be encouraged. The concept of an advisory committee to work with the superintendent is becoming more prevalent, and many advisory committees contain lay people as active members. (The subject of budget development committees is covered in greater detail in Chapter VI, "Communicating with the Community.")

Budget Calendar

To meet the legal requirements of budget adoption, the governing board should adopt a school district budget calendar. Such a calendar, when properly constructed, is a major step in the development of the budget. The calendar should show the levels of detail and related responsibilities for district budget development. If the calendar is sufficiently detailed, each assigned function should receive the required attention during the budget building cycle.

Annually, the State Department of Education provides a calendar that accompanies the directions for completing Form J-41, the "Annual Financial and Budget Report." That calendar is similar to the one shown in Figure 1 on page 9. A district may prefer to develop a more detailed time line that includes the legal adoption dates and a variety of internal deadlines to ensure orderly progress toward budget adoption (see Figure 2 on page 10).

Developing the Expenditure Plan

In Chapter I the need to analyze the educational program and support services to conduct proper budget planning was presented. Such an analysis requires the budget planner to identify resource needs in terms of (1) number of students to be served; (2) number of staff required; (3) type and quantity of materials, services, and facilities needed; and (4) support services involved in supplementing the program. Once these factors have been identified, the budget planner must convert the resource need into an expenditure plan expressed in terms of monetary appropriations.

Appropriations

Appropriations should be made by object within the program. The bases for making appropriations are described in the *California School Accounting Manual.*[1] The extent to which a district goes beyond the required minimum levels of expenditure planning and budgeting remains a matter of local determination. Appropriations must be made by objects of expenditure to facilitate expenditure planning by programs. Such an approach provides basic planning data, proper budget control bases, and a format for minimum expenditure reporting.

Expenditures by Program and by Object

Four major program reporting categories are required, and within these are other required subprograms as follows:

[1] *California School Accounting Manual.* School Business Administration Publication No. 8. Sacramento: California State Department of Education, 1981.

1. Instructional programs
   a. General education
   b. Special education
2. Support service programs
   a. Special projects
   b. Instructional support
      (1) Instructional administration
      (2) Instructional media
      (3) School administration
   c. Pupil services
   d. General support
      (1) District administration
      (2) Maintenance
      (3) Operations
      (4) Transportation
3. Auxiliary programs
   a. Community services
   b. Retired personnel fringe benefits
   c. Food services
   d. Facility acquisition and construction
4. Other outgo
   a. Tuition
   b. All other outgo

Some of the subprograms have additional subclassifications required for various state reports, such as life-span identification. Beyond that, the individual districts may prescribe subprograms depending on the needs of the district. For example, within general education a district may desire to keep program reports to a very minute degree:

General education (major program—required)
Grades nine through twelve (life span—required)
Foreign language (department—optional)
Spanish (subject—optional)

While this type of detail generally will not be maintained, it is a possible feature and should be considered when new programs and activities are instituted. This will provide cost-effectiveness data when evaluating the new program against its prescribed goals and objectives.

The seven major objects of expenditure classifications are as follows:

1000 Certificated salaries
2000 Classified salaries
3000 Employee benefits
4000 Books, supplies, and replacement of equipment
5000 Contracted services and other expense
6000 Capital outlay
7000 Other outgo

An appropriation category for contingencies is discussed in "Balancing Expenditures and Revenues," starting on page 7.

Internal and External Services

County offices, in addition to object and program identification, must report financial transactions at the end of each year by "internal" and "external" services.

Internal services are those direct, direct support, and indirect support activities dealing with the instruction of students in regional occupational centers/programs and opportunity, technical/vocational, county/community, juvenile court jurisdiction, and special education programs.

External services are those activities performed by a county office in support of school districts, other county offices, and other agencies.

Budget Guidelines

Appropriation guidelines should be established through board policy for objects of expenditure by program. For instance, the board should establish various staffing ratios for grade levels and special program and education classes. Some of the major guidelines include the following:

1. Staffing ratios
   a. Certificated
      (1) Pupil-teacher
         (a) Kindergarten
         (b) Primary grades
         (c) Middle grades
         (d) Secondary grades
         (e) Special education
      (2) School administration
         (a) Principal
         (b) Vice-principal
         (c) Assistant principal
         (d) Deans
      (3) Supervisors
         (a) Directors
         (b) Coordinators
         (c) Consultants
         (d) Special subject supervisors
      (4) Librarians
      (5) Public welfare personnel
         (a) Counselors
         (b) Social workers
         (c) Psychologists
         (d) Nurses
         (e) Other health personnel
   b. Classified
      (1) Aides
         (a) General
         (b) Special education
         (c) Special programs
      (2) Administrators
      (3) Clerical staff
         (a) School clerical
         (b) Administrative clerical

(4) Maintenance personnel
(5) Operations staff
(a) Custodians
(b) Grounds
(c) Warehouse
(6) Food service personnel
(7) Transportation personnel
(8) Other classified personnel

2. Salary schedules (should be negotiated after assessment of financial resources and staffing needs)
3. Employee benefits program
   a. Required (types and contributions established by law)
      (1) State Teachers' Retirement System (STRS)
      (2) Public Employees' Retirement System (PERS)
      (3) Old-Age and Survivors Disability Insurance (OASDI)
      (4) Workers' compensation insurance
      (5) Unemployment insurance
   b. Negotiated (e.g., health and welfare)
      (1) Fully paid
      (2) Partially paid
4. Allocation ratios

The use of a budget formula for expenditures other than salaries is a method of budgeting for nonsalary expenditures. The ratio is based on an amount per enrollment or average daily attendance (a.d.a.) and is applied to types of expenditures which can be considered as standard items for most schools or programs. An example of expenditures controlled by formula may include, but is not limited to, types of allocations shown in Figure 3 on page 11. Once a year each district should establish allocations by need, experience, and available funds.

Another method of allocation for decentralization of funds is to allocate by a.d.a. or enrollment rather than by object and to allow the site administrator to determine the manner in which these funds are spent.

All requests that cannot be funded by an allocation method should be submitted separately in a format that meets the district's requirements. When all proposals are compiled in such a manner, the matter of prioritizing requests is facilitated.

Estimating Revenue

Under legislation passed in 1979 (Assembly Bill 8) and subsequent legislation, school districts receive revenue from the state and from local sources equal to the district's calculated revenue limit. Local sources of revenue include secured tax collections, unsecured tax collections, home owners' and business inventory subventions, other subventions under Education Code Section 41052, timber tax yield, prior-year tax collections, release of tax impounds, other tax balances, and 50 percent of miscellaneous funds under Education Code Section 41604. The state apportions to the district the difference between the district's revenue limit and what the district receives from local sources.

Principal Apportionments

Revenue limit apportionments and local tax income. Because of the annual changing of legislation affecting revenue limit calculations—cost of living adjustments (if any), minimum guarantees, unique district factors, and so forth—this text will not go into the steps necessary to calculate the base revenue limit per a.d.a.

The Local Assistance Bureau of the State Department of Education, working through the offices of county superintendents of schools, provides the necessary forms, schedules, and current regulations necessary for calculating a district's revenue limit.

A number of factors affect the total revenue limit. Some of these factors serve to increase the total revenue limit, while others will reduce the total. As with base revenue limit calculations, the number of increases and decreases varies annually.

The base revenue limit per a.d.a. calculations must be multiplied by the estimated regular second-period apportionment a.d.a., reduced by class size penalties. The amount should include extended-year a.d.a. for special education students, annual a.d.a. for concurrently enrolled regular students in ROC/P and adult education programs, plus 0.6 times summer school a.d.a. for graduating seniors and students in grades seven through twelve who do not meet the district's proficiency standards. This calculation will determine the base revenue limit.

When the district's base revenue limit is determined, the a.d.a. must be forecast accurately. This will avoid the type of financial difficulties that result when the a.d.a. is overestimated.

A district's total revenue limit is subject to the application of a state deficit factor due to insufficient state funds being apportioned to meet the total claims by all school districts. Districts also should take into account the provisions of Amendment XIIIB of the Constitution of the State of California (appropriation limitations) and the deflator mechanism of Assembly Bill 8.

Districts receive apportionments from the state during the school year. At the close of a budget year, the actual second-period a.d.a. for regular students and actual annual a.d.a. for concurrently enrolled ROC/P, adult education, and summer school students and actual collections from local sources must be shown on final revenue calculations to determine actual amounts for the budget year. When the a.d.a. numbers are estimated accurately, the district's estimated revenue limit and actual final revenue limit should be in close agreement.

Special education classes. The cost of providing special education classes and programs is met partially or fully by allowances from the state in accordance with the provisions of Senate Bill 1870 (1980), Senate Bill 769 (1981), and subsequent laws. Per unit allowances are provided for such programs as the following:

- Resource specialist
- Special day classes (including students in developmental centers and licensed child care institutions)
- Designated instructional service including, but not limited to:
  - Speech and language development
  - Home and hospital (not of temporary disability)
  - Specialized driver training
  - Counseling and guidance
  - Parent counseling and training
  - Psychological services (other than assessment)
  - Adaptive physical education
  - Career education
  - Social worker services
  - Health and nursing services
  - Audiological services
  - Mobility instruction
  - Physical and occupational therapy
  - Vision services and therapy
- Nonpublic schools
- Program specialists
- Regionalized services
- State special schools

Additional funds are provided for support services and for transportation of special education students.

Gifted and talented pupils. In addition to the revenue limit and special education apportionments, a regular apportionment is provided for gifted and talented pupils.

Special-Purpose Apportionments

State special-purpose apportionments are available for driver training, pupil transportation between home and regular day schools, urban impact aid, school improvement, and economic impact aid.

Special Allowances

A partial list of special allowances from the state is presented as follows:

- Elementary school reading
- Instructional television
- Instructional materials (kindergarten through grade eight only)
- Reimbursement for state-mandated programs
- Bilingual education
- Special teacher employment
- Tax relief subventions
- Demonstration programs in reading and mathematics
- Child nutrition program (cafeteria—account or fund only)

These special sources of state income are subject to change from year to year. A current list of sources of state income is shown on the "Annual Financial and Budget Report" (Form J-41).

Other Sources of Revenue

Sources other than local taxes and state apportionments from which certain school districts may receive revenue in sizable amounts include federal aid, combined state and federal aid, county aid, and incoming transfers.

Federal aid. The federal government has for many years provided aid to school districts. First to receive aid were programs in agriculture and home economics. In recent years federal funds have been used to:

1. Aid schools in federally affected areas (Public Law 81-815 and Public Law 81-874).
2. Fight the effects of poverty (Public Law 89-10—Elementary and Secondary Education Act).
3. Train and hire the unemployed (Public Law 93-203—Comprehensive Employment and Training Act; and Public Law 88-452 and Public Law 93-644—Economic Opportunity Act).
4. Educate children with handicaps (Public Law 94-142).
5. Educate children of migrant parents and children with special needs resulting from neglect.
6. Aid teacher training and development (Public Law 90-35 and Public Law 90-351—Education Professions Development Act).
7. Provide programs in bilingual education.
8. Provide vocational education courses (Public Law 90-576, Public Law 95-40, and Public Law 90-482—Vocational Education Act).
9. Provide special funding for forest reserves (Education Code Section 2300), flood control (Education Code Section 1606), and wild life reserves.

Most federal assistance is provided through categorical aid programs wherein revenue received must be used for specific purposes within specified time limits. Districts might investigate the possibilities of obtaining additional income appropriated under federal law. Districts must be aware that these projects can be reduced or terminated at any time. Assistance in examining the possibilities of federal funding is available from the office of the county superintendent of schools and the State Department of Education.

Combined state and federal aid. Certain income may be identified as a combination of federal and state funds passing through the state to the district, such as monies for migrant day care centers.

County aid. Income from county sources may be of the following types:

1. In-lieu taxes
2. Aircraft taxes
3. Highway rentals
4. Head tax on livestock
5. Contract services (County School Service Fund)
6. County school building aid (exceptional children)

Incoming Transfers

Incoming transfers are composed of tuition payments, interfund transfers, Special Education Master Plan transfers from other districts and offices of county superintendents of schools, and other incoming transfers.

Transfers to the General Fund may currently occur in five circumstances:

1. From the Special Reserve Fund (Education Code sections 42840 through 42843)
2. From the Bond Interest and Redemption Fund after all principal and interest payments have been made (Education Code sections 15234 and 15235)
3. From lapsed funds or reorganized districts
4. From other special funds
5. From the deferred Maintenance Fund

Other Revenue

To complete the budgeting of all sources of revenue, school districts should estimate all probable income from such sources as the sale of property, insurance indemnities, interest income, in-lieu taxes (except federal in-lieu taxes), bonuses, royalties, rentals, and miscellaneous fees of all types (such as fines, gifts, contributions, and income from district property).

Summary

To determine income and total revenue for a school district is a difficult and complex task. The proliferation of constitutional amendments, statutory requirements, and regulatory agency guidelines imposed on school districts in recent years has made revenue estimating a challenging task.

A primary source of assistance to the district in estimating property tax, state block grant, and categorical state aid income is the office of the county superintendent of schools. This office is the main communication link between most districts and the various state agencies, and districts should utilize its services in resolving budgetary and other financial problems.

It should be remembered, however, that the school district has full responsibility for the preparation and submittal of its budget in accordance with statutory time requirements.

Balancing Expenditures and Revenues

When revenue from all sources has been estimated, the next step in budget preparation is to balance proposed expenditures with estimated income. The budget planner will then know both the amount of money needed to operate the district's programs for the budget period and the amount of revenue that can reasonably be expected from all sources available to the district. However, balancing expenditures and income may require anticipating adjustments in the planned expenditures. Issues upon which there is need for further study and decisions must be identified. The policies of the governing board will be helpful in making these decisions. The governing board should also be kept currently informed.

Policies of the Governing Board

The governing board may choose to revise a policy or suspend a policy for the year to meet budget requirements, or new policies may need to be enacted. It is preferable to suspend a policy (such as one stating the intent to reroof buildings every twelfth year) for a year than to ignore it. Policy suspensions, revisions, or enactments identify potential budget hazards that may require the use of contingency appropriations.

When there are no policies that apply, use should be made of preestablished priority ratings to determine what revisions may be made in the expenditures (and possibly what items might be eliminated). If priority ratings have not been used in the development of the budget, then the district must determine the levels of necessity of the various proposed expenditure items. The district must decide which expenditures can be postponed for a year and which expenditures can be decreased to effect economies. The rating of items should be done through conferences in cooperation with the members of the staffs concerned. When funds are insufficient, the governing board must take steps to obtain sufficient funds for meeting future budget requirements or must effect program cuts to balance expenditures in accordance with the income available.

Beginning and Ending Balance

A thorough review of the beginning and ending balances may be found in the *California School Accounting Manual.* The major elements of the balances include, but are not limited to, cash, revolving cash fund, investments, stores, prepaid expenses, accounts receivable, deferred income, and accounts payable.

Computation of the total budget requires that the beginning balance be added to the new year's estimated income. This total indicates the financial resources the district has available for the new fiscal year. Special concern must be taken to identify restricted balances. For example, some federal grants are funded on an October through September fiscal year. Thus, monies remaining in a grant as of June 30 must be restricted and rebudgeted for expenditure in the budget year.

Conversely, the ending balance is an estimate of the amount of money and other assets that will be uncommitted at the end of the budget year. Planning the ending balance is as important as planning any of the proposed expenditures.

Reserves

In the process of balancing the budget, the matter of reserves must be taken into consideration. The law states that school district budgets in California may contain amounts known as the General Reserve and the Appropriation for Contingencies (Education Code sections 42124 and 42125).

General Reserve

The original purpose of the General Reserve was to enable districts to meet financial obligations at the start of the fiscal year until anticipated revenues begin to be received. This was an important step to take when districts derived most of their income from property tax revenues, which are not available until December. However, because the state now provides about 80 percent of district revenue limit income on a statewide basis and the state's advance apportionments commence in July, the importance of the General Reserve has diminished.

Some districts may, however, still need to rely on the General Reserve to meet expenditure needs if the advance apportionment is insufficient.

In determining the General Reserve needed, a district should consider its experience during the preceding years and the changes that will be brought about by provisions of the budget under preparation. The district should always estimate as closely as possible its total needs and the apportionments to be received early in the year. The amount the governing board deems sufficient for use in the next succeeding year should be budgeted to meet the district's cash requirements until adequate local and state funds are available. It must be kept in mind that the monies in the General Reserve are not available during the current fiscal year unless the provisions of Education Code Section 42610 are met. The section entitled "Use of Unbudgeted Revenue" in Chapter III of this publication and Education Code sections 42602 and 42610 prescribe how to expend such excess income.

In some counties a district may request loans from the county treasury or sell notes in anticipation of tax receipts. This loan is typically not available until after the tax rates are set in August; therefore, such districts still need to provide for several months of operation through the General Reserve. (Caution: If borrowing of funds is anticipated, a reduction of interest income may occur and should be reflected in the interest income account.)

Appropriation for Contingencies

The Appropriation for Contingencies (formerly called the Undistributed Reserve) is established to provide for unforeseen problems and emergencies that may arise during the year.

Appropriations for contingencies (in the community colleges referred to as Unappropriated Fund Balance) may be further delineated as *restricted* and *unrestricted.*

Restricted contingency refers to those aspects of the budgeted expenditures that are district commitments, whether or not the funding resources become available (for example, salaries related to a.d.a. growth, Public Law 81-874 losses, and expenditures for special programs for which the funding approval has not been received).

Unrestricted contingency is a category for appropriating reserves to cover needs that cannot be identified in advance. Because of the nature of this reserve, its size should bear a relationship to the future needs of the district.

Acting on the Budget

The formal approval of the budget by the district's governing board must be obtained when the process of balancing the planned expenditures and the estimated revenues has been completed. It is recommended that the budget be presented to the governing board together with a formal letter of transmittal; this letter is an important document in the budgetary process. In the letter the district superintendent should present for formal record the basic considerations on which the budget was based, the reasons for suggesting any important changes from previous practices in the district, and a picture of what the budget means in terms of the next year's school experiences for the children of the community.

Chapter Summary

Procedures presented in Chapter II provide for delineation and articulation of essential elements of budget development. Parallel attention should be given to current Education Code requirements as well as those of the *California School Accounting Manual.* Budget development by program and by object of expenditure will be facilitated by initial and constant attention to the parameters described.

Final date or period	Action	Explanation	Education Code Section
On or before July 1	File tentative budget	Each school district shall file a tentative budget with the county superintendent of schools.	42127(a)
On or before August 1	County returns tentative budget	The county superintendent of schools shall examine and make technical corrections to the tentative budget and indicate changes he or she deems desirable or necessary to determine any tax requirement. The superintendent shall make any recommendations he or she deems necessary to ensure that the proposed expenditures do not exceed the anticipated revenues and that the anticipated revenues are realistic, and he or she shall transmit to the governing board a written explanation of the reasons for such changes.	42127(b)
At least three days prior to the last week in August	Publication of budget information	The county superintendent of schools shall publish the dates and locations at which the proposed budget may be inspected by the public and the date, time, and location of the public hearing on the proposed budget in a newspaper of general circulation in the district, or if there is no such newspaper, then in any newspaper of general circulation in the county.	42103
Prior to the end of the first week of September	Public hearing	The governing board of each school district shall hold a public hearing on the proposed budget for the ensuing fiscal year in a schoolhouse of the district or some other place conveniently accessible to the residents of the district.	42103
On or before September 7	Adoption and filing of budget	The governing board of each school district shall adopt a final budget, after the public hearing has been held, concluding any tax requirements computed pursuant to subdivision (c) as adjusted by paragraph (2) of subdivision (a) of Section 42127 and shall file such budget with the county superintendent of schools.	42127(d)
On or before September 15	Transmittal to county and state officials	The county superintendent shall approve the budget as adopted by the governing board and file a copy with the board of supervisors, the county auditor, and the ORIGINAL with the Superintendent of Public Instruction.	42127(e)

Fig. 1. Budget calendar and general and special instructions

_____ SCHOOL DISTRICT

Business Office

BUDGET CALENDAR
for Developing the FY____ Budget

The dates outlined below are the key dates to be met in the development of the FY ____ budget. Board workshops and employee group and other organization involvement are not calendared, although such activities are anticipated and encouraged. The dates are subject to minor change depending on board meetings, receipt of data from other agencies, and so forth. (Refer to Chapter I for subsequent deadlines and responsibilities.)

Date	Action	Responsibility
December 1	Distribute letters to budget administrators regarding steps to be taken in budget development.	Business manager
January 5	Deliver financial forecast to superintendent.	Business manager
January 12	Deliver financial forecast to board.	Superintendent
January 19	Distribute budget request forms to all budget administrators.	Business manager
January 30	Prepare enrollment projections.	Facilities planning
February 9	Return budget request data to Business Office.	Budget administrators
February 16	Establish staffing requirements.	Personnel
February 23	Review and prioritize budget requests	Superintendent and staff
March 1	Establish final staffing requirements.	Personnel
March 15	Mail dismissal letters (if required) to certificated staff.	Personnel, superintendent, board
April 1	Submit first budget draft to superintendent.	Business manager
April 10	Submit first budget draft to board.	Superintendent
* * *	Schedule workshops/study sessions on budget.	Board/superintendent
May 18	Prepare tentative budget.	Business manager
June 8	Present tentative budget to board.	Superintendent
June 22	Adopt tentative budget.	Board
July 1	Submit tentative budget to county superintendent.	Business manager

Fig. 2. Sample district budget calendar

Expenditures controlled by formula:

Supplies—instructional	$XX.XX/a.d.a.
Textbooks	X.XX/a.d.a.
Film rental	X.XX/a.d.a
Media supplies	X.XX/a.d.a
Other supplies—including athletic, various office supplies, admission, counseling, purchasing, data processing, and so forth	X.XX/a.d.a
Equipment replacement	X.XX/a.d.a
Travel—$XX.XX per employee to each department plus $XX.XX for special faculty projects	

Other formulas:

Mileage at XX¢ per mile

Meals at conferences—breakfast $X.XX, lunch $X.XX, dinner $X.XX for a total of $XX.XX per day

Capital outlay	$XX.XX/a.d.a

Fig. 3. Sample district budget allocation formula

Chapter III

Maintaining Budgetary Control

The budget is the projection of revenues and expenditures that have been approved for the support of the proposed educational program. The school business official must understand the various legal and fiscal controls available for administering a budget and must ensure that they are correctly utilized. The business official can then fulfill the responsibility for determining that monies received are expended for the approved educational program.

Role of the Business Official

The role of the business official in maintaining budget control will vary from district to district. In a highly centralized district, the official may be the final authority. In other districts the official may be an adviser to another administrative officer who has the ultimate authority.

In recent years there has been a trend in districts toward decentralization, with expenditure authority established at the site level. The role of the business official in such districts becomes one of expediter of financial information—a counselor, not a critic. The business official still has the responsibility to maintain proper records and to advise other central administrative personnel of the financial position of the district.

The business official's role is one of advising the superintendent, the assistant superintendent, the site administrator, and others of any conditions that may affect the financial position of the district. There is increasing demand for more timely and accurate reports and for accurate projections of future financial conditions.

Accurate projections are vital to budget control. The business official must analyze revenue projections as well as expenditure projections several times during the course of the fiscal year. When updated revenue projections are less than budgeted amounts, recommendations must be made for resolving the imbalance. The proficient business official will recognize that revenue controls are as important as expenditure controls.

Legal Controls on the Budget

Expenditures must not exceed the amount budgeted in the major expenditure classifications. However, under certain conditions budget transfers can be made (Education Code Section 42600).

Transfers Between Expenditure Classifications

Budget transfers between expenditure classifications in the school budget may be made by boards of education. Note that transfers by school districts governed by a board of trustees may be made only when approved by the county superintendent of schools (Education Code Section 42600).

Transfers from the Appropriation for Contingencies

Budget transfers may be made from the Appropriation for Contingencies by boards of education. Transfers by school districts governed by a board of trustees may be made only when approved by the county superintendent of schools. Transfers from the Appropriation for Contingencies require approval of two-thirds of the members of the governing board (board of education or board of trustees) of any district (Education Code Section 42600).

Budget Transfers at End of Year

At the end of the fiscal year, the governing board may adopt a resolution that allows the county superintendent, when necessary, to (1) permit payments of obligations that exceed the amount budgeted in an expenditure classification; and (2) transfer funds from the Appropriation for Contingencies to any expenditure classification or between expenditure classifications (Education Code Section 42601).

Interfund Transfers

The governing board of any district may temporarily transfer monies between funds or accounts for payment of obligations of the district. Such transfers, limited to 75 percent of the monies in the fund transferred from, are limited to two per fiscal year from the same fund and must be repaid within the same fiscal year, or in the following fiscal year if the transfer occurs during the final 120 calendar days (Education Code Section 42603).

Use of Unbudgeted Revenue

At one time unbudgeted revenues that were derived from property taxes or from the State School Fund were required to be placed in the General Reserve and could be used only after publication and adoption of a revised budget.

In 1978 the statutes were amended to permit a governing board, upon adoption of a formal resolution identifying major classification of expenditure, to use such unbudgeted revenue, regardless of source; however, the resolution must have the approval of the county superintendent of schools (Education Code Section 42610).

Expenditure Control

The purpose of expenditure control is to be able to ascertain, at any point during the year, the financial status of the district and to be able to project, with a reasonable degree of accuracy, the financial condition of the district.

Two primary bases for expenditure control are (1) by object; and (2) by program. In addition, a district may use other bases (site, department, and so forth) for control purposes; but, since minimal state reporting currently requires data by object (forms J-41 and J-73, the annual financial and budget reports) and by program (forms J-41A and J-73A, supplements to the annual financial and budget reports), these formats provide a logical base for expenditure control.

Expenditure Control by Object

Two general types of object expenditure are salary accounts and nonsalary accounts, each of which must be controlled in separate ways:

1. *Salary and related accounts.* Inasmuch as personnel and personnel-related costs compose 80 to 90 percent of most district budgets, accurate expenditure control of salary accounts is essential. Such control may be exerted by means of personnel position allocations, by salary allocation control, or by a combination of each.
   a. *Personnel position allocation.* An adequate system for determining, recording, and reporting personnel position status is one of the most important expenditure control procedures available to a district. This procedure should be assigned to a responsible administrator at the district level. A personnel position system can be integrated procedurally into a total personnel system that begins with employment and follows through to expenditure distribution.
   b. *Salary allocation control.* In consideration of salary accounts, control is exerted in the 1000 and 2000 account series. Regular salaries, both full- and part-time, should be encumbered for the year at the time of employment. A method of liquidating encumbered salaries and charging monthly salaries should be established. (Refer to the *California School Accounting Manual* for accounting and encumbrance procedures.) Substitute, hourly, and overtime salaries need not be encumbered but should be expense items at the time of payment. The business office should review this type of expenditure and establish procedures for projecting anticipated costs.
   c. *Employee benefits.* The 3000 account series is an important cost factor pertaining to salary-related costs; employee benefits for regular salaried employees should be treated in the same manner as regular salaries (see item b).
2. *Nonsalary accounts.* Wherever possible, nonsalary accounts should be encumbered as soon as possible; and a method of liquidating encumbrances should be developed.

Expenditure Control by Program

An adequate means of achieving control by program is accomplished by keeping a record of objects of expense within programs. A second approach would be to maintain program control through means of subaccounts to the objects of expense. Still other districts, with computer capability, would be able to maintain control by program through proper sequencing of report format.

Revenue Control

Control (review) of the revenue budget as finally prepared and recorded on the "Annual Financial and Budget Report" (Form J-41) is essential. The difference between budgeted and actual revenue may be significant. Timely and thorough reviews should be made throughout the fiscal year.

Revenue Limit

The revenue limit calculation in most districts accounts for over 90 percent of General Fund revenue. For this reason an analysis of revenue limit income must be included in the total review.

October review of revenue limit. The October revenue limit review is most likely recalculated with enrollment data only. Actual summer school a.d.a. can be verified and should be used. The business official should determine whether or not actual enrollment varies significantly from that previously estimated. Expenditure adjustments may be necessary at the time of the review.

January (Form P-1) report. Based on January Form P-1 (first-period report of attendance) a.d.a. data, a revised estimate of Form P-2 a.d.a. should be made for revenue limit recalculations.

April (Form P-2) report. The April Form P-2 (second-period report of attendance) report is the final revenue limit recalculation and is based on Form P-2 a.d.a. data.

Effect of revenue limit review. The net effect of the revenue limit recalculation not only affects the current budget but also may have significant impact on revenue for the next fiscal year. Unless actual a.d.a. and actual tax collections (as well as other sources affecting revenue limit) are the same as originally budgeted, adjustments to the current budget, as well as future considerations, will be required. In some districts it may be necessary to analyze all component sources of revenue limit for cash flow.

Categorical Aid

Applicable budgetary controls are determined by funding source. In the following paragraphs information is presented on major revenue sources and related entitlement information:

1. *Federal aid.* While federal projects are financed on an entitlement or grant basis, it is not uncommon for these entitlements to change during the fiscal year. The project budget should be adjusted to conform to the revised entitlement or grant amount. Such federal grants must be reviewed carefully.
2. *State aid.* State grants, for which budgetary control considerations are applicable, include grants for special education programs, special projects, and transportation.
   a. *Special Education Master Plan.* The revenue that a district receives for the Special Education Master Plan is dependent upon the number of instructional personnel service units (IPSUs) allocated by the region, the number of IPSUs actually conducted, the allocation rate per IPSU, and the support ratio. The same time line used for the revenue limit review of enrollment and a.d.a. reports (October, January [Form P-1], and April [Form P-2]) should be used for the Special Education Master Plan.
   b. *Special projects.* Many state projects are financed on an entitlement basis. If entitlements change, the project budget must be revised to conform to the change.
   c. *Transportation.* The apportionment for transportation is based on the previous year's annual report and is subject to revision after budget adoption.
3. *County and local aid.* Districts may receive county and local grants for specific projects. Generally, these grants are fixed, and adjustments are seldom required as long as funds are expended within the limits of the grants.

Other Sources of Revenue

Other sources of revenue that should be reviewed are the following:

1. *Miscellaneous funds.* Miscellaneous funds collected in accordance with Education Code Section 41604 must be calculated. Following this review, 50 percent of all funds collected are deducted from state apportionments.
2. *Abatements.* The district should distinguish clearly between abatements and receipts; a correct accounting procedure should be followed. The abatement accounting technique should not be abused to effect a reduction in expenditures. A description of the correct method for handling abatements is contained in the *California School Accounting Manual.*

Deficit Funding

With the passage in 1978 of Proposition 13, which added Amendment XIIIA to the Constitution of the State of California, the major portion of funding of school districts is derived from the State School Fund. Unfortunately, in recent years the State School Fund has not been sufficiently funded to meet the demands placed upon it. Only last-minute action by the Legislature and Governor has prevented or reduced deficits in the State School Fund. The Special Education Master Plan, transportation, and other state categorical programs have had a history of not being funded adequately to meet the calculated income in accordance with existing formulas and statutes. The observant business official will make every effort to keep pace with current projections or deficits.

Tools for Budget Implementation

The business official, in order to control the budget, must prepare revenue and expenditure reports so that data can be interpreted easily. Reports must reflect a good expenditure, accounting, and encumbrance recording system. In the *California School Accounting Manual,* adequate technical guidelines for establishing such a system are provided.

Budget Status Report

Preparation of budget status reports is essential to provide the school governing board and management personnel with information necessary to manage the district and to maintain adequate budget control. These reports should cover all aspects of the budget. They should be prepared at various times during the year and be distributed to various management personnel and the governing board in accordance with their need for information.

Budget status reports should be of the simplest design possible and should include a summary statement highlighting the significant features of the

report. When appropriate, recommendations should be made for action by designated administrators and/or the governing board.

Sample reports are illustrated in this chapter with an explanation of how they are prepared and used. Districts should use most of the reports included. However, the frequency and explicit detail of the reports should be determined by each individual district in accordance with its particular needs.

Report of Income

A district's report of income should be prepared monthly and made available to the governing board, the superintendent, and other appropriate administrators. This report lists the official budget for each income account, the amount of income received in the current month, the total income received to date, and the unrealized balance. A sample report of income is shown in Figure 4 on page 17.

The estimated income column should contain the official budget figures on file with the county superintendent. These will be the figures from the official budget as modified by any adjustments made pursuant to Education Code requirements.

In conjunction with the report of income, an analysis of the income accounts should be made periodically. If the analysis reveals that more income is anticipated than was budgeted for, it is possible to consider increasing the expenditure allocations. If the income analysis indicates that less income is expected than was budgeted for, appropriate action should be taken to correct the imbalance, including the possibility of reducing expenditure allocations.

The most important income analysis relates to the a.d.a. and resultant revenue limit income projections. Actual enrollment and related estimated projected a.d.a. figures should be compared to budgeted figures as soon as possible after the school term begins and monthly thereafter. Other income estimates should also receive close scrutiny.

A variation of the report of income shown in Figure 4 would be to add a column that lists the revised estimate of income based on the latest analysis of income accounts. If a revised estimate of income column is shown, it may be used to compute the unrealized balance column. If this is done, the expenditure portion of the budget must also be adjusted, by object and program (as necessary and as legal), to keep budget income and expenditures in balance.

Report of Expenditure

The report of expenditure should be prepared in several ways in order to provide the information needed by various management personnel. This report lists the official amount budgeted for various expenditure accounts, the amount encumbered and expended in the current month, the total encumbrances and expenditures to date, and the balance available for use. Sample reports of expenditure are shown in figures 5, 6, and 7 on pages 18, 19, and 20, respectively.

If a revised estimate of income is used, as indicated in the previous section on reporting of income, expenditure accounts should also be reviewed to keep budget income and expenditure accounts in balance. The report of expenditure should be prepared as follows:

1. *By object.* The report of expenditure by object (Figure 5) should be prepared monthly and given to the governing board, the superintendent, and other appropriate administrators. This report lists expenditure accounts in object order, and accounts should be itemized to the degree necessary in each district. A listing of all object expenditures should be done for business office use. Because of the mass of data, one need not report all object expenditures to other district staff. A summarization by general classification headings is recommended, as shown in Figure 5.
2. *By program.* The report of expenditure by program (Figure 6) should be prepared monthly and distributed to program managers. The governing board, the superintendent, and other administrators should be given this report as appropriate. This report lists expenditure accounts by object grouped under each program, and accounts should be itemized to the degree necessary in each district. Usually, accounts will be itemized in greater detail than in the report of expenditure by object.
3. *By site (manager's report).* The report of expenditure by site (Figure 7) should be prepared and distributed monthly to site administrators. The superintendent and other administrators may also be given this report. This report lists all expenditure accounts for which the site manager is responsible, and accounts should be itemized to the degree necessary in each district. Accounts should be grouped by the various programs at each site. The illustrated report of expenditure by site includes the specific activities for the current month (purchase orders encumbered, liquidations, payments, and so forth) as well as year-to-date summaries.

Cash Flow

The cash flow report (Figure 8 on page 21) is prepared to make sure that adequate funds will be available for expenditures throughout the year. This report should be prepared during the budget preparation period and revised as required by changes. It should be distributed to the governing board, the superintendent, and other administrators as appropriate.

Estimated receipts and expenditures are projected for each month throughout the year. Estimates are

based on actual prior year activities and other pertinent information.

Actual accumulated receipts and expenditures should be listed each month and compared to projected receipts and expenditures. It may be necessary to delay expenditures and/or speed up income collection if the analysis of cash balance requires it. This report should be itemized to the degree necessary in each district.

The cash flow report will also provide the type of information necessary to prepare documents required for the sale of tax anticipation notes or other forms of borrowing.

Report of Average Daily Attendance

The report of average daily attendance (Figure 9 on page 22) should be prepared and distributed monthly to the superintendent and other appropriate administrators. It may be given to the governing board when appropriate. The report lists enrollment and a.d.a. for the current month and year-to-date totals. It also lists estimated a.d.a. used in revenue limit calculations and revised estimates and differences.

Any difference between budgeted and revised estimates of a.d.a. should be converted into a dollar amount in order to determine the effect on budgeted income. This information should then be used in conjunction with the report of income as previously stated.

Year-to-date enrollment figures include the total of all enrollees during the year. These figures may be used to determine the migrancy factor in the district. Monthly enrollment data may also be used for analyzing class size and staffing ratios.

This report should be prepared with as much detail as necessary to provide the desired information in each district. A similar type of report may also be useful when prepared on an individual school basis.

Personnel Status Reports

A detailed personnel status report is essential for control of regular salary categories of the budget. Personnel position allocations need to be established at the time of the budget formulation. Continuous updating is a personnel function that should be monitored closely by the business official.

The essence of the system is that each personnel position is established at the time of budget adoption. As the position is filled, an encumbrance is made. Personnel are not employed unless there is an open position. When it is necessary to establish additional positions, formal approval of the positions and corresponding monetary allocations should be obtained from the governing board.

It is advisable to develop periodic reports of position status. Reports may be in summary or detailed format, or both. They may include position vacancies and a comparison of estimated and actual costs.

Two samples of functional personnel status reports are shown. Figure 10 on page 23 shows how a monthly report may be provided in detail to the person filling the position. Figure 11 on page 24 illustrates a monthly summary report.

Cost Projection Report

A cost projection report (Figure 12 on page 25) should be prepared as new programs are proposed. It should provide cost and revenue estimates for the first three years of the program, since new programs are often started without a complete understanding of total cost in subsequent years. These cost projections should be made available to appropriate administrators and the governing board prior to any final decisions.

Cost projections should include all direct costs, direct support charges, and indirect support charges. Direct and indirect support charges usually come from existing budget allocations and do not add to the budget total. However, a careful analysis should be made of the impact new programs will have on existing personnel and other expenses in support of the programs.

The cost projection report is a summary report, and it is necessary to prepare detailed working papers in order to accumulate the information needed for this report.

Financial Position Analysis

A most concise and helpful document that may be used is the financial position analysis (Figure 13 on page 26). On one page this report provides a review of income and expenditure (actual plus encumbrance) and projects an ending balance.

Chapter Summary

The business official must be aware of legal and fiscal constraints in adopting and revising the district budget. The official must devise and implement procedures to control expenditures so that provisions of the Education Code are met and budgeted expenditures are not exceeded. Income controls must be devised and maintained so that the business official can determine whether the district is receiving income as estimated in the budget. Procedures must be developed so that both expenditures and income may be modified by the governing board during the fiscal year.

The business official may be either an authority figure or an adviser, depending on the district. In any case, the official must be aware of the district's financial status at all times so that decisions or recommendations can be made to safeguard the district's fiscal condition.

TY	BATCH DATE	BATCH NO	REFERENCE DESCRIPTION	REF DATE	P.O. NO	CHK NO	REVISED BUDGET	RECEIVED THIS PERIOD	RECEIVED TO DATE	% REC'D	AVAILABLE BALANCE
8617		* TOTAL GIFTED & TALENTED					47,885.00	.00	16,237.00	33.9	31,648.00
8610		** TOTAL PRINCIPAL APPORT					15,552,551.00	.00	6,033,649.00	38.7	9,518,902.00
8621.00-501-100.000-9-100-9 DRIVER TRAINING							7,440.00	.00	1,428.00	19.1	6,012.00
XD 11-01	07	STATE APPT 74670		11-30					1,428.00		
XD 11-29	02	STATE APP'T-75911		11-30					1,428.00		
		TOTAL					7,440.00	.00	4,284.00	57.5	3,156.00
8621		* TOTAL DRIVER TRAINING					7,440.00	.00	4,284.00	57.5	3,156.00
8622.00-501-100.000-9-100-9 TRANSPORTATION							464,296.00	.00	46,430.00	10.0	417,866.00
XD 11-01	07	STATE APPT 74670		11-30					46,430.00		
XD 11-29	02	STATE APP'T-75911		11-30					46,430.00		
		TOTAL					464,295.00	.00	139,290.00	30.0	325,006.00
8622		* TOTAL TRANSPORTATION					464,296.00	.00	139,290.00	30.0	325,006.00
8625.00-501-100.000-9-100-9 SCHOOL IMPROVEMENT							568,354.00	.00	81,721.00	14.3	486,633.00
XD 11-01	07	STATE APPT 74670		11-30					52,161.00		
XD 11-29	02	STATE APP'T-75911		11-30					52,161.00		
		TOTAL					568,354.00	.00	186,043.00	32.7	382,311.00
8625		* TOTAL SCHOOL IMPROVEMENT					568,354.00	.00	186,043.00	32.7	382,311.00
8627.00-501-100.000-9-100-9 ECON IMPACT AID							243,524.00	.00	48,351.00	19.8	195,173.00
XD 11-01	07	STATE APPT 74670		11-30					21,730.00		
XD 11-29	02	STATE APP'T-75911		11-30					21,730.00		
		TOTAL					243,524.00	.00	91,811.00	37.7	151,713.00
8627		* TOTAL ECON IMPACT AID					243,524.00	.00	91,811.00	37.7	151,713.00
8620		** TOTAL SPECIAL PURPOSE APR					1,283,614.00	.00	421,428.00	32.8	862,186.00
8631.00-501-100.000-9-100-9 ELEM SCHOOL READING							90,000.00	.00	.00		90,000.00
		TOTAL					90,000.00	.00	.00		90,000.00
8631		* TOTAL ELEM SCHOOL READING					90,000.00	.00	.00		90,000.00
8636.00-501-100.000-9-100-9 INSTRUCT MATLS K-8							5,200.00	.00	.00		5,200.00
		TOTAL					5,200.00	.00	.00		5,200.00
8636		* TOTAL INSTRUCT MATLS K-8					5,200.00	.00	.00		5,200.00
8630		** TOTAL SPECIAL ALLOWANCES					95,200.00	.00	.00		95,200.00
8671.00-501-100.000-9-100-9 BUS INVENTORY EXEMP							.00	.00	.00		.00
XD 11-29	01	INC-11-61		11-30					224,776.99		
		TOTAL					.00	.00	224,776.99	*	224,776.99-
8671		* TOTAL BUS INVENTORY EXEMP					.00	.00	224,776.99	*	224,776.99-

Fig. 4. Report of income

COUNTY
DISTRICT 28 NE EN UNIFIED

COUNTY SUPERINTENDENT OF SCHOOLS
FINANCIAL APPLICATION
EXPENSE BY OBJECT
SUMMARY TO THE 4TH DIGIT OF OBJECT

REPORT NO: BFND305D PAGE 1
REPORT DATE: 12-02-82 TIME 19:00
PERIOD ENDING: 11-30-82 FY 83

FUND 10 GENERAL

CERTIFICATED SALARY	ADOPTED BUDGET	REVISED BUDGET	ENCUMBRANCE TO DATE	EXPENSE TO DATE	% EXP	AVAILABLE BALANCE
1110.00-101-101.000-3-101-4 CLASSROOM TEACHER	575,227.00	580,998.00	.00	147,527.07	25.3	433,470.93
1110.00-101-373.000-3-373-4 CLASSROOM TEACHER	8,793.00	7,034.00	.00	1,758.60	25.0	5,275.40
1110.00-101-383.000-3-383-4 CLASSROOM TEACHER	26,064.00	26,064.00	.00	7,819.20	30.0	18,244.80
1110.00-101-540.000-3-540-3 CLASSROOM TEACHER	28,064.00	28,064.00	.00	7,015.89	24.9	21,048.11
1110.00-101-542.000-3-542-4 CLASSROOM TEACHER	29,830.00	29,830.00	.00	7,395.00	24.7	22,435.00
1110.00-102-101.000-3-101-4 CLASSROOM TEACHER	554,603.00	562,858.00	.00	147,430.75	26.1	415,427.25
1110.00-102-373.000-3-373-4 CLASSROOM TEACHER	14,587.00	14,587.00	.00	3,646.80	25.0	10,940.20
1110.00-102-383.000-3-383-4 CLASSROOM TEACHER	23,432.00	23,432.00	.00	5,858.01	25.0	17,573.99
1110.00-102-385.000-3-385-4 CLASSROOM TEACHER	41,895.00	41,895.00	.00	10,473.75	25.0	31,421.25
1110.00-102-540.000-3-540-3 CLASSROOM TEACHER	25,898.00	27,251.00	.00	7,015.90	25.7	20,235.10
1110.00-102-542.000-3-542-4 CLASSROOM TEACHER	28,951.00	28,951.00	.00	7,175.25	24.7	21,775.75
1110.00-103-101.000-3-101-4 CLASSROOM TEACHER	425,539.00	429,714.00	.00	111,649.17	25.9	318,064.83
1110.00-103-373.000-3-373-4 CLASSROOM TEACHER	11,128.00	9,725.00	.00	2,431.20	24.9	7,293.80
1110.00-103-383.000-3-383-4 CLASSROOM TEACHER	26,064.00	26,064.00	.00	6,516.00	25.0	19,548.00
1110.00-103-511.001-3-511-3 CLASSROOM TEACHER	29,692.00	28,877.00	.00	7,219.44	25.0	21,657.56
1110.00-103-542.000-3-542-4 CLASSROOM TEACHER	28,371.00	28,371.00	.00	7,030.26	24.7	21,340.74
1110.00-104-101.000-3-101-4 CLASSROOM TEACHER	497,402.00	503,504.00	.00	122,410.76	24.3	381,093.24
1110.00-104-373.000-3-373-4 CLASSROOM TEACHER	15,701.00	19,336.00	.00	4,834.14	25.0	14,501.86
1110.00-104-383.000-3-383-4 CLASSROOM TEACHER	28,701.00	28,701.00	.00	7,175.25	25.0	21,525.75
1110.00-104-385.000-3-385-4 CLASSROOM TEACHER	42,776.00	.00	.00	.00		.00
1110.00-104-530.001-3-530-4 CLASSROOM TEACHER	.00	43,652.00	.00	10,913.01	25.0	32,738.99
1110.00-104-540.000-3-540-3 CLASSROOM TEACHER	26,438.00	26,438.00	.00	6,812.77	25.7	19,625.23
1110.00-104-542.000-3-542-4 CLASSROOM TEACHER	28,951.00	28,951.00	.00	7,175.25	24.7	21,775.75
1110.00-105-101.000-3-101-4 CLASSROOM TEACHER	617,860.00	653,061.00	.00	168,715.80	25.8	484,345.20
1110.00-105-373.000-3-373-4 CLASSROOM TEACHER	14,060.00	14,060.00	.00	3,515.13	25.0	10,544.87

Fig. 5. Report of expenditure by object

COUNTY SUPERINTENDENT OF SCHOOLS — REPORT NO: BFND3D6D — PAGE 35

COUNTY
DISTRICT 28 NE EN UNIFIED — FINANCIAL APPLICATION — REPORT DATE: 12-02-82 — TIME 19:00

FUND 10 GENERAL — PROGRAM BY OBJECT — PERIOD ENDING: 11-30-82 — FY 83

SUMMARY TO THE 4TH DIGIT OF OBJECT

	ADOPTED BUDGET	REVISED BUDGET	ENCUMBRANCE TO DATE	EXPENSE TO DATE	% EXP	AVAILABLE BALANCE
PROGRAM 104.000 REGIONAL OCCUPATIONAL PROG/CENTER						
1110.00-301-104.000-6-104-4 CLASSROOM TEACHER	80,267.00	81,322.00	.00	20,066.61	24.6	61,255.39
1110 * TOTAL CLASSROOM TEACHER	80,267.00	81,322.00	.00	20,066.61	24.6	61,255.39
1110 ** TOTAL CLASSROOM TEACHER	80,267.00	81,322.00	.00	20,066.61	24.6	61,255.39
1171.00-301-104.000-6-104-4 SUB TEACHER-ILLNESS	1,008.00	1,008.00	.00	144.00	14.2	864.00
1171 * TOTAL SUB TEACHER-ILLNESS	1,008.00	1,008.00	.00	144.00	14.2	864.00
1170 ** TOTAL SUB TEACHER	1,008.00	1,008.00	.00	144.00	14.2	864.00
1100 *** TOTAL TEACHERS	81,275.00	82,330.00	.00	20,210.61	24.5	62,119.39
1000 **** TOTAL CERTIFICATED SALARY	81,275.00	82,330.00	.00	20,210.61	24.5	62,119.39
3110.00-301-104.000-6-104-4 STRS TEACHERS	6,462.00	6,546.00	.00	1,911.73	29.2	4,634.27
3110 * TOTAL STRS TEACHERS	6,462.00	6,546.00	.00	1,911.73	29.2	4,634.27
3110 ** TOTAL STRS TEACHERS	6,462.00	6,546.00	.00	1,911.73	29.2	4,634.27
3100 *** TOTAL STRS	6,462.00	6,546.00	.00	1,911.73	29.2	4,634.27
3410.00-301-104.000-6-104-4 H&W TEACH/AIDES	6,090.00	5,480.00	.00	2,227.73	40.6	3,252.27
3410 * TOTAL H&W TEACH/AIDES	6,090.00	5,480.00	.00	2,227.73	40.6	3,252.27
3410 ** TOTAL H&W TEACH/AIDES	6,090.00	5,480.00	.00	2,227.73	40.6	3,252.27
3400 *** TOTAL HEALTH & WELFARE	6,090.00	5,480.00	.00	2,227.73	40.6	3,252.27
3510.00-301-104.000-6-104-4 U/I TEACHERS/AIDES	154.00	156.00	.00	38.37	24.5	117.63
3510 * TOTAL U/I TEACHERS/AIDES	154.00	156.00	.00	38.37	24.5	117.63
3510 ** TOTAL U/I TEACHERS/AIDES	154.00	156.00	.00	38.37	24.5	117.63
3500 *** TOTAL UNEMPLOYMENT INS	154.00	156.00	.00	38.37	24.5	117.63
3610.00-301-104.000-6-104-4 W/C TEACHERS/AIDES	569.00	461.00	.00	196.03	42.5	264.97
3610 * TOTAL W/C TEACHERS/AIDES	569.00	461.00	.00	196.03	42.5	264.97
3610 ** TOTAL W/C TEACHERS/AIDES	569.00	461.00	.00	196.03	42.5	264.97
3600 *** TOTAL WORKERS'COMP	569.00	461.00	.00	196.03	42.5	264.97
3000 **** TOTAL EMPLOYEE BENEFITS	13,275.00	12,643.00	.00	4,373.86	34.5	8,269.14

Fig. 6. Report of expenditure by program

COUNTY SUPERINTENDENT OF SCHOOLS — REPORT NO: BFN03070 — PAGE 189
COUNTY DISTRICT UNIFIED — FINANCIAL APPLICATION — REPORT DATE: 12-02-82 — TIME 19:00
PROGRAM WITHIN LOCATION BY OBJECT — PERIOD ENDING: 11-30-82 — FY 83
FUND 10 GENERAL
LOCATION 106 ILES ELEMENTARY SCHOOL
SUMMARY TO THE 4TH DIGIT OF OBJECT

	ADOPTED BUDGET	REVISED BUDGET	ENCUMBRANCE TO DATE	EXPENSE TO DATE	% EXP	AVAILABLE BALANCE
PROGRAM 543.000 GIFTED & TALENTED						
1172.00-106-543.000-3-543-4 SUB TCHR-NON-ILLNES	100.00	100.00	.00	.00		100.00
1172 * TOTAL SUB TCHR-NON-ILLNES	100.00	100.00	.00	.00		100.00
1170 ** TOTAL SUB TEACHER	100.00	100.00	.00	.00		100.00
1100 *** TOTAL TEACHERS	100.00	100.00	.00	.00		100.00
1000 **** TOTAL CERTIFICATED SALARY	100.00	100.00	.00	.00		100.00
3110.00-106-543.000-3-543-4 STRS TEACHERS	1.00	1.00	.00	.00		1.00
3110 * TOTAL STRS TEACHERS	1.00	1.00	.00	.00		1.00
3110 ** TOTAL STRS TEACHERS	1.00	1.00	.00	.00		1.00
3100 *** TOTAL STRS	1.00	1.00	.00	.00		1.00
3510.00-106-543.000-3-543-4 U/I TEACHERS/AIDES	1.00	1.00	.00	.00		1.00
3510 * TOTAL U/I TEACHERS/AIDES	1.00	1.00	.00	.00		1.00
3510 ** TOTAL U/I TEACHERS/AIDES	1.00	1.00	.00	.00		1.00
3500 *** TOTAL UNEMPLOYMENT INS	1.00	1.00	.00	.00		1.00
3610.00-106-543.000-3-543-4 W/C TEACHERS/AIDES	1.00	1.00	.00	.00		1.00
3610 * TOTAL W/C TEACHERS/AIDES	1.00	1.00	.00	.00		1.00
3610 ** TOTAL W/C TEACHERS/AIDES	1.00	1.00	.00	.00		1.00
3600 *** TOTAL WORKERS'COMP	1.00	1.00	.00	.00		1.00
3000 **** TOTAL EMPLOYEE BENEFITS	3.00	3.00	.00	.00		3.00
4310.00-106-543.000-3-543-3 INSTR SUPPLIES	797.00	.00	.00	.00		.00
4310.00-106-543.000-3-543-4 INSTR SUPPLIES	.00	797.00	.00	.00		797.00
4310 * TOTAL INSTR SUPPLIES	797.00	797.00	.00	.00		797.00
4310 ** TOTAL INSTR SUPPLIES	797.00	797.00	.00	.00		797.00
4300 *** TOTAL INSTRUCTIONAL	797.00	797.00	.00	.00		797.00
4000 **** TOTAL BOOKS,SPLYS,REPLACE	797.00	797.00	.00	.00		797.00
5630.00-106-543.000-3-543-4 CONT FOR PERS SVCS	100.00	100.00	.00	.00		100.00

Fig. 7. Report of expenditure by site

General Fund Cash Flow

	July	*August*	*September*	*October*	*November*	*December*	*January*	*February*	*March*	*April*	*May*	*June*
Beginning Cash Balance												
Sources of cash												
Federal income												
State apportionments												
Secured tax revenue												
Other local tax revenue												
Interest income												
All other income												
Tax anticipation loans												
Other loans and transfers												
Matured investments												
Total sources												
Uses of cash												
Payroll												
STRS, PERS, OASDI												
Other expenses												
Debt service												
Investments												
Transfers and other												
Total uses												
Ending cash balance												

5—75676

21

34

Fig. 8. Report of cash flow

35

Average Daily Attendance and Enrollment
Month Ending _____

	Current month		Year to date		Revenue limit					
	Enrollment	a.d.a.	Enrollment	a.d.a.	Budgeted Enrollment	a.d.a.	Revised estimate Enrollment	a.d.a.	Difference Enrollment	a.d.a.
Regular										
Kindergarten										
Grades one through three										
Grades four through eight										
Grades nine through twelve										
Opportunity/continuation										
Small school										
Summer school										
Special education										
SSC without aide										
SSC with one aide (SH)										
SSC with one aide (NSH)										
SSC with two aides										
RSP without aide										
RSP with one aide										
DIS										
EWY without aide										
EWY with one aide (SH)										
EWY with one aide (NSH)										
EWY with two aides										
Other programs										
Pregnant minors										
(+) Interdistrict attendance agreements										
(-) Interdistrict attendance agreements										
Total a.d.a.										

Fig. 9. Report of average daily attendance

DATE 12/01/82 — POSITION CONTROL BY PROGRAM — PAGE 15

DISTRICT COUNTY SUPT OF SCHOOLS

SOCIAL SECURITY	EMPLOYEE NAME	PCN#	FAF-KEY	F.T.E.	82-83 SALARY	83-84 SALARY
MAJOR OBJECT 2000			CLASSIFIED SALARIES			
MINOR OBJECT 2200			CLASSIFIED DISTRICT ADMINISTRATIVE			
		02251	10-2210.00-700-725.000-8-725-4	1.000	$46,200	
2200			OBJECT SUBTOTAL	1.000	$46,200	
MINOR OBJECT 2300			CLERICAL			
		02402	10-2310.00-700-725.000-8-725-4	1.000	$21,576	
2300			OBJECT SUBTOTAL	1.000	$21,576	
2000			OBJECT TOTAL	2.000	$67,776	
725			PROGRAM TOTAL	2.000	$67,776	
PROGRAM 726			DISTRICT FINANCIAL SERVICES			
MAJOR OBJECT 2000			CLASSIFIED SALARIES			
MINOR OBJECT 2200			CLASSIFIED DISTRICT ADMINISTRATIVE			
		00381	10-2230.00-700-726.000-9-726-4	1.000	$25,041	
		02253	10-2235.00-700-726.000-9-726-4	1.000	$37,500	
2200			OBJECT SUBTOTAL	2.000	$62,541	
MINOR OBJECT 2300			CLERICAL			
		02254	10-2311.00-700-726.000-9-726-4	1.000	$17,064	
		02255	10-2311.00-700-726.000-9-726-4	1.000	$14,259	
		02268	10-2311.00-700-726.000-9-726-4	1.000	$19,560	
		02257	10-2311.00-700-726.000-9-726-4	1.000	$17,064	
		02258	10-2311.00-700-726.000-9-726-4	1.000	$17,064	
		02259	10-2311.00-700-726.000-9-726-4	1.000	$15,024	
		02260	10-2311.00-700-726.000-9-726-4	1.000	$19,560	
		02261	10-2311.00-700-726.000-9-726-4	1.000	$17,064	
		02269	10-2311.00-700-726.000-9-726-4	1.000	$14,418	
		01051	10-2311.00-700-726.000-9-726-4	1.000	$13,5[illegible]4	
		02263	10-2311.00-700-726.000-9-726-4	1.000	$17,064	
		01052	10-2311.00-700-726.000-9-726-4	1.000	$12,270	
		02264	10-2311.00-700-726.000-9-726-4	1.000	$19,326	
		02266	10-2311.00-700-726.000-9-726-4	1.000	$19,560	
		02267	10-2311.00-700-726.000-9-726-4	1.000	$14,493	
		02256	10-2311.00-700-726.000-9-726-4	1.000	$10,704	
		02270	10-2311.00-700-726.000-9-726-4	1.000	$10,704	
		02262	10-2311.00-700-726.000-9-726-4	0.000	$4,062	
		02265	10-2311.00-700-726.000-9-726-4	0.000	$3,684	
2300			OBJECT SUBTOTAL	17.000	$276,468	
2000			OBJECT TOTAL	19.000	$339,009	
726			PROGRAM TOTAL	19.000	$339,009	
PROGRAM 727			INTERNAL SERVICES			
MAJOR OBJECT 2000			CLASSIFIED SALARIES			
MINOR OBJECT 2200			CLASSIFIED DISTRICT ADMINISTRATIVE			
		02594	10-2230.00-700-727.000-8-727-4	1.000	$23,665	
		00363	10-2235.00-700-727.000-8-727-4	1.000	$37,500	
2200			OBJECT SUBTOTAL	2.000	$61,165	
MINOR OBJECT 2300			CLERICAL			
		00046	10-2311.00-700-727.000-8-727-4	1.000	$16,248	
		00333	10-2311.00-700-727.000-8-727-4	1.000	$17,064	

33

39

Fig. 10. Position control by program

Position Allocations	K–6 music	K–8 reading	Regular K–8	Summer school	SSC without aide	SSC with one aide	SSC with two aides	RSP	DIS	Current development	Human relations	In-service	Instructional supervisors	Media services	Local school administrator	ECE	Title I	Miller-Unruh	Guidance and counseling	Health	Superintendent and assistant	Personnel	Business	Employer/employee relations	Building maintenance	Grounds maintenance	Vehicle maintenance	Operations	Pupil transportation	Community services	TOTAL
Code	163	175	181	187	313	330	352	381	397	415	423	427	439	452	483	508	528	560	640	670	712	713	715	719	731	732	733	750	770	840	
1110 Regular teachers			299																												299.0
1130 Special teachers	3.0	16.0			17.0	2.0	2.0	8.0	7.5									1.0													56.5
Teachers FTE	3.0	16.0	299		17.0	2.0	2.0	8.0	7.5									1.0													355.5
1210 Principals															17																17
1230 Assistant principals															2																2
1310 Directors					.15	.1	.1	.15	.1	.5	1		.4						.4	.1											3.0
1340 Consultants														1																	1.0
1400 Librarians														2																	2.0
1510 Counselors																			4												4.0
1530 Psychologists								.2								.4	.4		4												5.0
1620 Nurses								.2								.1	.4			3.0											3.7
1710 Superintendent																					1										1.0
1740 Assistant superintendent																					.6			.4							1.0
1820 Director of Administrative Services																						1									1.0
1900 Other certificated personnel																															
Other Certificated FTE					.15	.1	.1	.55	.1	.5	1		.4	3	19	.5	.8		8.4	3.1	1.6	1		.4							40.7
2100 Instructional aides					6.28	2	.38	5								27.9	6.9														48.56
2250 Business manager																							1								1.0
2270 Supervisor																							1		.3	.3	.1	.3			2.0
2310 Clerical/office					.15	.1	.1	.15	.1	.5	.4	.1	.4	2.5	19	.4	.2		.8	1.6	1.7	2	8	.1	.3	.3	.1	.3		.2	39.5
2410 Maintenance and operations																									9	5.3	.9	42.1	.1	1.1	58.5
2510 Food service																															
2610 Transportation																													.5		.5
2910 Other classified personnel																						1						1			2.0
Classified FTE					6.53	2.1	.48	5.15	.1	.5	.4	.1	.4	2.5	19	28.3	7.1		.8	1.6	1.7	3	10	.1	9.6	5.9	1.1	43.7	.6	1.3	152.06

Fig. 11. Personnel status report

District

Special project or program title

Fiscal year

Fund	*Budget year*	*Second year*	*Third year*
1. Enrollment			
2. Average daily attendance (a.d.a.)			
3. Teachers (full-time equivalent)			
4. Other certificated employees (full-time equivalent)			
5. Classified employees (full-time equivalent)			
Direct costs			
6. Certificated salaries			
7. Classified salaries			
8. Employee benefits			
9. Books and supplies			
10. Equipment replacement			
11. Contracted services			
12. Other			
13. Subtotal (lines 6 through 12)			
14. Capital outlay			
15. Total direct costs (lines 13 and 14)			
Direct support charges			
16. Instructional administration and media			
17. Special projects			
18. Pupil services			
19. General support			
20. Capital outlay for direct support charges			
21. Auxiliary services			
22. Total direct support charges			
23. Total direct costs and direct support charges (lines 15 and 22)			
Indirect support charges			
24. Total indirect support charges (percentage of remaining costs in lines 16, 17, 18, 19, and 20 allocated to this program)			
25. Total costs (lines 23 and 24)			
Revenue sources			
26. Federal			
27. State			
28. County			
29. Local			
30. Total revenue			

Fig. 12. Cost projection report

92

COUNTY
DISTRICT 28 NE EN UNIFIED

FUND 10 GENERAL

COUNTY SUPERINTENDENT OF SCHOOLS
FINANCIAL APPLICATION
FINANCIAL POSITION ANALYSIS
BY FUND

REPORT NO: DFND316A PAGE 1
REPORT DATE: 12-02-82 TIME 19:00
PERIOD ENDING: 11-30-82 FY 83

		ADOPTED BUDGET	REVISED BUDGET	P-T-D	Y-T-D		BALANCE
INCOME							
	LIQUID ASSETS	992,445.00	992,445.00	.00	992,445.00	100.0 %	
	ACCOUNTS RECEIVABLE	.00	.00	27,922.20	177,569.77-	*	177,569.77
	LIABILITIES, ETC.	.00	.00	233,697.77	434,499.44-	*	434,499.44
TOTAL	BEGINNING BALANCE	992,445.00	992,445.00	261,619.97	380,375.79	38.3 %	612,069.21
	FEDERAL INCOME	685,116.00	726,477.00	12,666.89	140,377.49	19.3 %	586,099.51
	COMBINED ST & FED	.00	.00	.00	.00	*	
	STATE INCOME	16,952,715.00	16,952,715.00	2,726,492.99	6,685,061.99	39.4 %	10,267,653.01
	COUNTY INCOME	13,250.00	13,250.00	.00	.00	%	13,250.00
	LOCAL INCOME	4,465,847.00	4,535,847.00	298,563.45	651,315.81	14.3 %	3,884,531.19
	INCOMING TRANSFERS	33,000.00	33,000.00	.00	.00	%	33,000.00
TOTAL	INCOME	22,149,928.00	22,261,289.00	3,035,723.33	7,476,755.29	33.5 %	14,784,533.71
TOTAL	INCOME + BEGINNING BALANCE	23,142,373.00	23,253,734.00	3,297,343.30	7,857,131.08	33.7 %	15,396,602.92
EXPENDITURES							
	CERTIFICATED SALARY	12,465,277.00	12,568,544.00	1,098,812.35	3,421,038.71	27.2 %	9,147,505.29
	CLASSIFIED SALARIES	3,156,615.00	3,171,935.00	274,357.24	1,157,296.53	36.4 %	2,014,638.47
	EMPLOYEE BENEFITS	3,034,934.00	3,028,415.00	547,019.37	1,648,319.76	54.4 %	1,380,095.24
	BOOKS,SPLYS,REPLACE	887,298.00	934,121.00	48,711.55	335,448.85	35.9 %	598,672.15
	SERVICE & CONTRACTS	1,482,554.00	1,489,248.00	103,465.83	428,563.21	28.7 %	1,060,684.79
	CAPITAL OUTLAY	114,222.00	103,845.00	5,914.75	31,811.88	30.6 %	72,034.12
TOTAL	EXPENDITURES	21,140,900.00	21,296,109.00	2,078,281.09	7,022,478.94	32.9 %	14,273,630.06
	OTHER OUTGO	1,845,148.00	1,895,148.00	.00	71,538.91	3.7 %	1,823,609.09
TOTAL	EXPENDITURES + OTHER OUTGO	22,986,048.00	23,191,257.00	2,078,281.09	7,094,017.85	30.5 %	16,097,239.15
	APPROP. FOR CONTINGENCY	156,325.00	62,477.00	.00	.00	%	62,477.00
TOTAL	EXP. + OTHER OUTGO + APPROP.	23,142,373.00	23,253,734.00	2,078,281.09	7,094,017.85	30.5 %	16,159,716.15
	ENDING BALANCE ---------->	.00	.00	1,219,062.21	763,113.23		
	TOTAL	23,142,373.00	23,253,734.00	3,297,343.30	7,857,131.08		

(NOTE)

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THE ENDING BALANCE LINE IS AN INDICATION OF THE FINANCIAL POSITION OF THE DISTRICT. IF THE BALANCE IN THE Y-T-D COLUMN IS NEGATIVE, THE DISTRICT MUST TAKE STEPS TO REDUCE EXPENDITURES AND GENERATE INCOME. IF THE FIGURE IS POSITIVE THERE MAY NOT BE A MAJOR CONCERN.

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43

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Fig. 13. Financial position analysis

Chapter IV

Budgeting Special Funds

In addition to the General Fund discussed in Chapter II, there are several special funds which districts may use for specific purposes. Although school districts may not find it necessary to use all of them, special funds are an important part of the school budget. Funds other than the General Fund that require budgetary control include the following:

State fund number	Fund title
II	Bond Interest and Redemption
III	Building
IV	Special Reserve
V	State School Building and State School Building Lease-Purchase
VI	Cafeteria Account or Cafeteria Fund
VII	Child Development
VIII	Adult Education
IX	Other Special
X	Deferred Maintenance

Special funds are established by school districts only where the law permits or requires that they be established. The separate identity of monies raised or allocated for special purposes, including year-end balances, must be maintained and used for authorized purposes only.

A given expenditure may be chargeable to several funds. For example, an expenditure for replacement of equipment or purchase of supplies (other than food) for a school cafeteria is normally made from the Cafeteria Account or Cafeteria Fund. If the fund is insufficient for this purpose, however, the expenditure may be made from the General Fund. Interfund transfers should be carefully analyzed and considered in budget preparation.

Bond Interest and Redemption Fund (II)

Education Code Section 15250 authorizes the county board of supervisors to levy a tax annually within a school district to provide for the interest and redemption of all outstanding bonded indebtedness of the district. Government Code Section 29043 directs the county auditor to provide the bonded debt service requirements for the levy. The responsibility for the administration of the fund rests with the county auditor.

The Bond Interest and Redemption Fund is established for the sole purpose of payment of the interest and redemption of all outstanding bonded indebtedness of a district. No other expenditures are authorized within the fund. The steps in budgeting the Bond Interest and Redemption Fund are described in the following paragraphs.

Beginning Fund Balance

The beginning balance of the Bond Interest and Redemption Fund consists of the following:

1. Accounts receivable
2. Cash on deposit with the county treasurer, as well as cash awaiting deposit
3. Government obligations and other legal investments of the fund

Fund Revenue

The primary source of income to the Bond Interest and Redemption Fund is the local tax levy. However, interest received for the investment of the fund with the county treasurer, along with other sources of revenue, shall accrue to the fund.

The amount of revenue to the fund must be sufficient to accomplish the following:

1. Pay interest on indebtedness as it becomes due.
2. Provide for the payment of indebtedness on or before it becomes due.
3. Provide a reserve.

In estimating interest and indebtedness, the district must provide the amounts that will become due up to the time of the first receipt of proceeds of the next following year's tax levy. At the time the revenue requirements for the fund are determined, a period of more than one year should be considered.

The annual reserve may be provided to prevent wide fluctuations in the tax rates to support the fund. This fact is of particular interest to school administra-

tors concerned with the public relations aspect of tax rates.

Fund Expenditures and Other Outgo

The expenditure budget of the Bond Interest and Redemption Fund mainly reflects the amounts of interest to be paid and the principal to be retired during the fiscal year. The time span involved in this portion of the budget is different from that used in estimating revenue. Therefore, an ending balance is needed because cash is required to pay those obligations arising between July 1 and the next tax receipts, which generally are available in December. When the paying agent for an issue is other than the county treasurer, fees charged by the agent are chargeable to the Bond Interest and Redemption Fund.

Building Fund (III)

The Education Code provides for the establishment of a Building Fund through deposit in the county treasury of proceeds from the sale of school district bonds (Education Code sections 15100 through 15261) or through the transfer of General Fund monies. Community colleges should refer to Education Code sections 81800 through 81845.

Legal Limitations

Resources of the Building Fund may be used only for the purposes stated in the bond indenture at the time that the bonds were voted. Education Code Section 15100 provides that bonds may be voted for the following purposes:

1. Purchasing school lots
2. Building or purchasing school buildings
3. Making alterations or additions to a school building or buildings other than those changes that may be necessary for current maintenance, operation, or repairs
4. Repairing, restoring, or rebuilding any school building damaged or destroyed by fire or other calamity
5. Supplying school buildings and grounds with furniture, equipment, or necessary apparatus of a permanent nature
6. Making a permanent improvement of school grounds
7. Refunding any outstanding valid indebtedness of the district, evidenced by bonds or state school building aid loans
8. Carrying out the projects or purposes authorized in Education Code Section 39613 or 81613
9. Purchasing school buses that have a useful life expectancy of at least 20 years
10. Demolishing or razing a school building with the intent of replacing it with another school building in the same place or in another place

NOTE: With the passage of California Constitution Amendment XIIIA (Proposition 13-1978), it is very unlikely that a district could add monies to the Building Fund by virtue of the sale of general obligation bonds.

Steps in Budgeting

The following steps should be followed in budgeting for a Building Fund:

1. *Beginning balance.* Cash in the county treasury and other assets of the Building Fund, such as cash collections awaiting deposit, investments in U.S. bonds, and accounts receivable, should be included in the beginning balance. Current liabilities included in the beginning balance should be limited to obligations for services already performed or to materials and equipment already received on or before June 30. No amount of liability should be undertaken for the uncompleted portion of work being performed by a contractor.
2. *Revenue.* In anticipation of required revenue, the business officer should examine the building needs of the district. [Refer to Education Code sections 15102 through 15261 and to the section in this chapter entitled "State School Building Fund (V)."] In the examination the following should be taken into consideration:
   a. The amount of bond proceeds from bonds already authorized but not yet issued
   b. The income to be realized by reason of the sale or lease of real property of the district acquired previously from a building fund (Education Code Section 39363 permits such income to be placed in the General Fund.)
   c. Any property loss insurance indemnities
3. *Expenditures and transfers.* Expenditures and transfers should be budgeted in accordance with the chart of accounts for the Building Fund.
4. *Ending balance.* The ending balance should be predicted as accurately as possible to reflect the anticipated progress of the building program during the budget year. Accuracy in budgeting will help eliminate shortages in this fund.

Special Reserve Fund (IV)

Education Code sections 42840 and 85440 authorize a school district to establish a Special Reserve Fund for capital outlay purposes. The legal limitations of the fund are as follows:

1. Funds may be derived from any source.
2. The governing board establishes the fund by resolution, specifying the purpose or purposes of the Special Reserve Fund.
3. The governing board may at any time file resolutions changing the purposes of the fund or withdrawing any purpose previously mentioned.

4. The governing board may at any time, upon written request to the county superintendent of schools, county auditor, and county treasurer, have the money transferred back to the General Fund of the district, with the exception of community college funds received as specified under Education Code Section 2106.

5. The Special Reserve Fund is to be used for capital outlay purposes only, including salaries of school district employees whose work is directly related to such capital outlay projects, except as provided for in Education Code Section 42842, which states that the "governing board may expend the money in the fund for the general operating purposes of the district."

The governing board may appropriate and expend the money in the Special Reserve Fund solely for the purpose or purposes specified in the resolution establishing the fund.

State School Building Fund (V)

The State School Building Aid Law of 1952, together with later enactments, makes available to qualifying school districts the funds needed to help in the purchase and development of school sites and the construction and equipping of buildings. Education Code sections 16000 through 16414 provide the legal basis for the apportionment of these funds by the State Allocation Board to the school districts. Districts that qualify for the aid must include in their budgets a State School Building Fund (Education Code Section 16093). The purpose of establishing the fund is to guarantee that all revenues and expenditures from the fund are properly accounted for. The monies deposited to this fund are apportionments from the State School Building Fund, district contributions, and federal grants.

State Apportionments

Apportionments from the State School Building Fund are made by the State Allocation Board. A district's eligibility for these apportionments is established on the basis of qualification.

District Contributions

District contributions include funds raised through the sale of bonds, funds derived from the levy of a tax rate authorized by Education Code Section 39230, and the transfer of any funds available to the district. These transfers are made as required by the State Allocation Board as a condition of the district's participation in the state school building aid program. (Education Code Section 39230 was repealed by the Statutes of 1977.)

Federal Grants

Federal funds may be secured under Public Law 81-815 by eligible districts. When such funds are received by a district, they may be used to reduce the amount allocated by the state from the State School Building Fund.

Expenditure Requirements

Any apportionment paid to a school district and deposited in the State School Building Fund is available for expenditure for not less than one year nor more than three years as the State Allocation Board shall determine. For the purposes of determining availability for expenditure, the funds are considered to be expended through the encumbrance of the funds on deposit in the county treasury by the creation of a valid obligation. After the period of availability, the unencumbered balance becomes due and payable to the state.

Each district that secures state building funds will receive detailed instructions from the Local Assistance Bureau in the State Department of Education and must make detailed reports as required. Each project that is approved must be maintained, accounted for, and reported on an individual project basis. The State Controller and the Local Assistance Bureau audit the fund to determine whether the money received by the district has been expended for the purposes authorized by the State School Building Aid Law. These audits are conducted on a project basis, and they emphasize the need for an extensive accounting system and firm budgetary controls of revenue and expenditures. Only costs charged directly to the fund will be considered in determining the audited costs.

Repayments to the state on loans made to the district are based on a given number of years and are limited by the assessed valuation of the district and the annual amount of taxes required to service the eligible bonded debt of the district. Each year the amount due is withheld from the district's regular state apportionment, and the district is permitted to levy a tax to raise an amount equal to the amount withheld by the state.

Disposition of the proceeds of the sale and/or lease of property acquired through the use of state school building monies is determined by state procedures and guidelines established by the Local Assistance Bureau.

NOTE: It must again be pointed out that new voter-obligated contributions to the State Building Fund are limited by Amendment XIIIA of the State Constitution.

Cafeteria Fund or Account (VI)

Education Code sections 39870 through 39902 provide for establishing the Cafeteria Fund or Cafeteria Account. The choice of using a Cafeteria Fund or

Cafeteria Account remains with the district. If a Cafeteria Fund is maintained, the money is paid into the county treasury; if a Cafeteria Account is maintained, the money is deposited in a bank or banks. In either case the following rules pertain:

1. The money may be used only for expenditures necessary for operating the cafeterias.
2. Meals for needy pupils shall be paid from the Cafeteria Fund/Account and are reimbursed by the General Fund by transfer. An exception is made when donations are made directly to the Cafeteria Fund/Account for this purpose.

The following paragraphs describe the steps to be followed in budgeting for a Cafeteria Fund/Account.

Beginning Fund Balances

Cash in the Cafeteria Fund/Account, cash collections awaiting deposit, accounts receivable, and stores and prepaid expense should be included in the beginning balance of the Cafeteria Fund. Current liabilities must be included in the beginning balance and must be limited to obligations for services already performed or to materials and supplies received on or before June 30. If a cash reserve for the replacement of equipment has been maintained, debit balances should equal the credit balance of the accumulative equipment replacement reserve.

Fund Income

Cafeteria Fund revenue is derived from cafeteria sales, federal subventions, interest, donations, and General Fund special taxes raised to provide free meals for needy pupils. The following should be considered when anticipating revenue for the cafeteria:

1. Past student attendance and participation patterns
2. The amount of cash that will accrue from the sale of meals to eligible adults
3. Billings to the General Fund and other sources for free meals
4. Federal subventions, including (a) specified amounts of money provided for meals that meet given standards; (b) total meal reimbursement for free meals and reduced-price meals; and (c) the value of certain food items that are secured by paying only the cost of transportation

If an estimate of total income from sales, federal subventions, and donations is less than a reasonable estimate of proposed expenditures, a balanced budget may be achieved by charging against the General Fund a portion of estimated expenses (other than for food). This action would be taken only by a board resolution and would be budgeted in accordance with the provisions of the *California School Accounting Manual.*

Fund Expenditures

Expenditures from the Cafeteria Fund/Account include those required for the following purposes:

1. *Salaries.* All salaries are charged to the General Fund (Education Code Section 39902). The charges may be transferred to the Cafeteria Fund/Account later.
2. *Employee benefits.* These may include contributions to the district health and welfare programs, employee retirement funds, and insurance charges. These benefits shall be paid by the General Fund but may be reimbursed by the Cafeteria Fund/Account.
3. *Food.* All food must be purchased with the Cafeteria Fund/Account. No General Fund monies may be used for purchasing food for use in the cafeteria program.
4. *Operating supplies and expenses.* Such items as utilities, laundry, and fuel are included here.
5. *Repairs and replacement of equipment.* Repairs to existing equipment and replacement of equipment with equipment of approximately equal value are allowable as cafeteria expense.
6. *Other food services.* This includes costs for groceries and services to provide supplementary food service other than regular meals; for example, snack bar expenses.
7. *Capital outlay.* Equipment may not be charged against capital outlay of the Cafeteria Fund/Account for the original purchase and should therefore be charged to the General Fund. Special provisions provide for funding central kitchens in certain-sized districts (Education Code sections 39891 and 39900).

Ending Fund Balance

The ending fund balance includes (1) all cash in the county treasury for the Cafeteria Fund or the cash in a bank or banks for the Cafeteria Account; (2) cash collections awaiting deposit; (3) accounts receivable; and (4) stores and prepaid expense. Current liabilities and the accumulative equipment replacement reserve must be deducted to arrive at a net ending balance.

Child Development Fund (VII)

The governing board of each agency in which a child care and development program is funded by the State Department of Education must establish a fund to be known as the Child Development Fund. All monies received for, or from the operation of, the child development program must be paid into this fund; all costs incurred in the operation and maintenance of such programs must be paid from the Child Development Fund. All agencies must maintain all monies received from the Department in an interest-

bearing account. All interest earned on state funds must be paid to the state.

Fund Budgeting—Apportionments

Monthly Child Development Fund apportionments are calculated approximately five to six weeks in advance, based on the contractor's monthly report of child days of enrollment and other available data. The State Department of Education reserves the right to reduce or withhold any apportionment if the contractor's monthly report is delinquent or if the report indicates that the level of services to children is not commensurate with the amount of funds apportioned to date.

Agencies can expect to receive an advance apportionment at the beginning of each operating month except for the months of July and August. No funds will be released until a fully executed and approved contract is on file with the Department.

Each year a contract is executed between the state and the district for child development services. This contract specifies the level of service to be provided and the amount of reimbursement. The current contract should be reviewed and the person responsible for delivering the services should be contacted for information about the nature of the program and any changes in the budget year.

Apportionments are remitted to the county treasury to the fund of the district, based on periodic reports of attendance hours. Any balance due after year-end reports of total attendance hours and fees collected should be established as an account receivable.

In the determination of "costs" for the purpose of claiming maximum apportionment allowances, provision is made for a portion of district overhead. Capital outlay costs are not allowed unless they are specifically approved.

Fund Budgeting—Expenditures

All costs incurred in the maintenance and operation of child development services are paid from the Child Development Fund.

Adult Education Fund (VIII)

Any district which operates an adult education program must, under the provisions of Education Code Section 52616(d), establish a fund for the purpose of recording all adult education income and expenditures.

Monies in the Adult Education Fund may be expended only for adult education purposes. Monies received for programs other than adult education may not be transferred to the Adult Education Fund or expended for adult education.

Districts receive one consolidated apportionment for regular a.d.a. and adult a.d.a.; this apportionment is deposited in the district's General Fund. The district must abate revenue account 8611 of the General Fund by the amount generated for concurrently enrolled and mandated adult a.d.a. and credit that amount to revenue account 8611 in the Adult Education Fund.

All other budgeting and accounting activities of the Adult Education Fund must conform to the requirements of the *California School Accounting Manual.*

Other Special Funds (IX)

Current statutes provide for the establishment of certain other special funds, including the Property Use Trust (Education Code Section 4147) and self-insurance for property, liability, and workers' compensation (Education Code Section 39602).

For a Property Use Trust Fund, income from property taxes is treated in the same manner as the General Fund and monies are transferred to the Bond Interest and Redemption funds of the component districts.

For an Insurance Fund all revenue except interest earned is transferred from the General Fund (object 7390) to the Insurance Fund (object 8990). Expenditures or transfers from the Insurance Fund shall be recorded in object 7390 and recorded in object 8990 in the fund in which the loss occurred. The Insurance Fund is not to be used to record district contributions to employee retirement systems.

Deferred Maintenance Fund (X)

Education Code sections 39618 through 39619.5 provide for the establishment of a fund for major repair or replacement of plumbing, heating, air conditioning, and other items that may be approved by the State Allocation Board.

When a five-year plan is approved by the State Allocation Board, a district is eligible to participate in the Deferred Maintenance Program. The district shall transfer from the General Fund to the Deferred Maintenance Fund an amount equal to the adjusted base year's maintenance of effort. The maximum amount a district is eligible to receive on a matching basis is one-half of 1 percent of its General Fund budget, exclusive of capital outlay and debt service for matching purposes. The State Allocation Board must allocate to the district a matching amount of money. The expenditure of money from the fund must be for only those activities set forth in the five-year plan.

The Deferred Maintenance Fund is established by transferring funds from the General Fund (object 7350) to the Deferred Maintenance Fund (object 8950). State income is recorded in the Deferred Maintenance Fund (object 8693).

Expenditures against the fund must be recorded in a manner similar to General Fund expenditures.

An approved five-year plan may be revised annually and resubmitted to the State Allocation Board for approval.

Chapter Summary

Administration of the district budget may involve several types of special funds, each of which has a purpose clearly apart from the General Fund. Expenditures may be paid from one or more of the special funds; therefore, the interrelationships between the funds should be analyzed carefully. Monies from a special fund may be expended only for the purpose for which the fund was established.

Chapter V

Planning the Long-Range Budget

The educational program offered by a school district should be planned so that objectives to meet student needs will be attained during each fiscal year and so that orderly progress will be made in achieving long-range goals. The budget for the district should contain the provisions needed for both of these functions.

In the planning of a budget to support programs extending over several years, it is necessary to determine carefully what is needed for the desired program. This determination can be made by analyzing program goals to ascertain the steps that need to be taken to accomplish those goals. Generally, considerations such as the following are involved in long-range program planning:

1. Patterns of organization
2. Class size
3. Curriculum offerings
4. Curriculum support, such as supplies, books, and audiovisual materials
5. General supervision or special area consultant services
6. Special programs, such as those for the physically handicapped, mentally retarded, educationally handicapped, and mentally gifted
7. Special services, such as health and guidance services

A schedule should be established after the program goals have been analyzed and after the requirements for meeting them have been determined. The schedule must clearly demonstrate the order in which the goals are to be achieved.

Budget Clarification

Since categorical programs are receiving more and more emphasis, general-purpose monies and categorical monies must be kept separate when a district is making a long-range budget projection. Special education monies, federal and state funded projects, and all other projects and grants should be taken into consideration separately so that general-purpose data appearing in the projection will be comparable from year to year.

Factors Affecting Expenditures

Expenditures are influenced by (1) student population trends; (2) number, capacity, and location of facilities; (3) repair, preventive maintenance, and remodeling; (4) economic conditions; and (5) personnel policies.

Student Population Trends

Changes in population present a major problem in budget planning, and multiyear projections of enrollments should therefore be considered. Data regarding the district's population of school-age *and* preschool-age children should be used in predicting the needs for staffing, facilities, and services.

In any projection of school district enrollments, factors to be considered include (1) number of preschool-age children; (2) birthrate trends; (3) population trends; (4) industrial and commercial developments; (5) plans for housing developments; (6) plans of private schools; and (7) potential changes in district boundaries. Attention should also be given to current legislation affecting student enrollments (for example, the voucher system).

The number of preschool-age children in the district can be determined by a continuing census of the district. In the analysis of factors other than preschool-age children, particular attention should be given to locally collected data. Data can be secured by contacting those local governmental agencies and businesses interested in population change. For example, valuable information can be obtained from planning commissions, which base their decisions on data they collect, as well as on data compiled by public utilities.

Any increase or decrease in school population will affect many aspects of the budget. For example, the amounts budgeted for teachers' salaries, retirement contributions, and supplies will change as enrollment changes. It is of the utmost importance that the enrollment (converted to a.d.a.) used for revenue projections be in line with enrollment used for staffing for salaries in the budget. On the other hand, amounts

budgeted for custodial and maintenance services may not change in direct proportion to enrollment. Figure 14 on page 36 illustrates a convenient work sheet on which to tabulate the data and factors.

The number of employees needed will be determined by student population trends and by the extent to which programs are expanded, maintained, or curtailed. However, the type and extent of some support services may be determined more by the educational program than by student population.

Number, Capacity, and Location of Facilities

School population projections provide the basis for determining the extent and timing of the building program or of closure of facilities. Long-range planning is essential in meeting the need for sites and strategically located facilities of adequate size.

The budgeting process should involve consideration of two types of problems connected with facility needs—nonrecurring costs and recurring costs. Typical nonrecurring costs include staff and consultant time for (1) planning the construction or closing of schools; (2) bond elections and bond sales; (3) purchase or sales of facilities or sites; and (4) purchase, disposal, or redistribution of equipment, supplies, books, and so forth. Typical recurring costs include (1) staff salaries and benefits; (2) supplies; (3) utilities; (4) maintenance; and (5) insurance.

Repair, Preventive Maintenance, and Remodeling

A systematic program of repair, preventive maintenance, and remodeling of district buildings and equipment is essential. The program should be carried out on a multiyear schedule and should provide for improving, repairing, and remodeling existing physical plants as needs become apparent.

Schedules for the maintenance and replacement of equipment must be established to avoid serious financial impacts. The useful life of equipment can be predetermined, and equipment should correspondingly be replaced on a long-term scheduled basis.

To project multiyear costs for areas outside of salaries and benefits, a district should have on file detailed information from each budget/program administrator. The validity of this information is dependent on the budget/program administrator and the careful review by the budget office. Consideration should be given to inflation, equipment replacement, and new equipment needed for growth. When growth demands the addition of staff, it is easiest to handle the inclusion of start-up costs separately (see Figure 15 on page 37).

Economic Conditions

Predictions of economic trends are difficult to make; yet, budget planners need to consider carefully the trends in cost indices so that the district will not be suddenly faced with the problem of expenditures exceeding available resources. The final step in planning is to forecast prioritized needs within the financial resources that will be available.

Personnel Policies

The importance of the governing board's policies regarding personnel is emphasized by the fact that salaries and related benefits constitute the major part of the district's operating expense. An analysis of the effect on future budgets of policies regarding salaries and related benefits is exceedingly important.

Budget requirements, both current and long-range, must include provisions for such personnel items as (1) salaries; (2) retirement; (3) health and welfare benefits; (4) sick leave; (5) other leaves and benefits; and (6) in-service training.

To calculate long-range projections for salary amounts, budget planners should first determine if an increase or decrease is expected in staffing in future years. For certificated employees this calculation can be determined by projecting enrollments; and from the enrollments, the number of staff can be determined on the basis of the district's negotiated or suggested pupil-teacher ratio (see Figure 16 on page 38). For classified employees it may be necessary to survey administrators or program managers to determine if they anticipate increases or decreases in classified staff. Projected yearly salary increments and negotiated yearly salary increases must be determined. Of course, the amount of the projected increases or decreases in these items will be dependent on the available income. After these three major items have been decided upon, it is possible to list current/base year salary amounts by coding, apply (add or subtract) the three projected amounts affecting the base year, and determine the first successive year salaries. From this point the process may be repeated, and it is possible to determine any number of successive years' salary projection amounts (see Figure 17 on page 39).

To make long-range projections for benefits, planners must determine percentages or amounts for five major areas. These areas are certificated and classified employee retirement, social security, unemployment insurance, workers' compensation, and any insurance or other health and welfare benefit amounts allotted to employees. After these amounts are determined, the percentage amounts can be multiplied times the projected salaries; or the insurance amounts can be multiplied by the projected number of employees covered. These amounts can be recorded on a work sheet (see Figure 18 on page 40).

Factors Affecting Income

An analysis must be made of the district's ability to finance the current educational program. Long-range predictions of income must be undertaken to indicate

(1) the feasibility of the program objectives under the existing pattern of financial resources; (2) the need for planning changes in the financial program of the district to secure the funds required for the educational program; (3) the need for planning changes in the educational program; or (4) the need for changing both the financial and the educational programs.

Districts may find it difficult to establish a long-range plan until the income pattern has been established. It is essential that at an early point governing boards, administrators, and staff recognize the necessity for appropriate financial support in the planning program and be sensitive to the constraints imposed by the following sources of revenue: (1) ending balance; (2) federal; (3) state; (4) county; (5) local; and (6) miscellaneous. Figure 19 on page 41 is a revenue work sheet designed to facilitate the projection of income.

Ending Balance

The ending balance for the current year will be the beginning balance for the budget year. When looking toward future years, budget planners need a good method for projecting the ending balance. The following is a checklist of the major items to be considered:

1. *Salaries.* Is this year's budget appropriated correctly on the basis of the projected salary expenditures through June 30?
2. *Fringe benefits.* Is this year's budget appropriated correctly on the basis of the projected fringe benefit expenditure through June 30?
3. *Income computation.* In checking all sources, does the actual income received vary from the amounts that were estimated?
4. *Liabilities.* Are liabilities running higher or lower than the amounts that were established?
5. *Accounts receivable.* Are the amounts received running higher or lower than the amounts that were established?
6. *Utilities, insurance, and so forth.* Are utilities being appropriated at actual expenditure? Are other major accounts being expended in the amounts predicted?
7. *Instructional programs.* Are accounts being spent at a rate that will use all appropriated funds by June 30, or will there be balances that will need to be carried forward for ongoing programs?
8. *Prior year ending balance adjustments.* Was the district's estimated beginning balance this year on target? Why not? Include any adjustments that must be made to the district's budgeted beginning balance to bring it to the actual beginning balance.
9. *Changes since budget adoption.* Note the effects of any legislation that may have a financial impact on the budget. Note any effects of increased or decreased programs; also, note any fixed costs that may be increasing or decreasing.

A sample long-range ending balance recapitulation form is shown in Figure 20 on page 42.

Revenue Sources

An extensive review of the various sources of revenue is included in Chapter II. In preparing a long-range projection, the budget planners should examine each of the sources and exercise prudent judgment in estimating income for the future.

What effect will a change in administration have on continuing federal funds? What effect will California's economic situation have on future legislation, revenue limits, and categorical aid? What impact will special initiatives have on public education finance? Are there trends that might affect local income-interest rates, changes in grants and foundation aid, fee structures, miscellaneous income, and so forth?

As tenuous as expenditure projection may be, the prognostication of income is even more difficult because trends are not as reliable. Changes in student population can be projected with reasonable accuracy, but changes in legislative action regarding school finance cannot be projected with the same degree of accuracy.

Chapter Summary

Developing the school budget for each fiscal year should be regarded as one step toward attaining the goals set for the long-range educational program. In long-range budget planning, as in annual budget planning, three factors are involved: the educational program, expenditures, and revenue. Those responsible for the long-range planning of the educational program should set goals and establish priorities. The costs for educational programs should be an integral part of the planning.

		Location		1 Current year P—2 enrollment	2 Decrease/ increase enrollment	3 Birthrate trend Pre-K Reg.	4 Private school vouchers	5 Housing development/ commercial development	6 Boundary change	7 __% Conversion to a.d.a.	8 First successive year	9

Fig. 14. Work sheet for projecting enrollment

Preliminary 5/2/81
Adopted 8/5/81
Revised

FUND 01

BUDGET UNIT Acct. Services

	FY 1980-81			FY 1981-82		
PROGRAM NUMBER	STATE CODE	AMOUNT	COMMENTS	STATE CODE	AMOUNT	COMMENTS
ACCT. GEN 61J	4500	200	Misc. Supplies			See 80-81 for Detail
"	"	100	Binders			
"	"	50	File Folders			
"	"	900	Copy Machine Duplicating			
"	"	2,000	Postage			
		3,250	Total 4500	4500	3,738	Add 15% for Inflation
61J	4800	400	Replace Calculator	4800	900	Replace Typewriter
61J	6490	100	Letter size File Cabinet - Growth	6490	150	Legal size File Cabinet - Growth
		3,750	Total 61J		4,788	Total 61J
PAYROLL 61K	4500	75	Misc. Supplies	4500	86	Add 15% for Inflation
61K	4800	800	Replace Typewriter	4800	425	Replace Calculator
61K	6490	300	Ledger Card Tray-Growth	6490	125	Letter Size File Cabinet - Growth
		1,175	Total 61K		636	Total 61K
TOTAL		4,925	Total Acct. Services		5,424	Total Acct. Services

Approved By _____ 5/2/81
Budget/Prgm. Adm. Date

Approved By _____ 5/11/81
Date

5/2/81
Date

37

Fig. 15. Sample work sheet for nonpersonnel costs

	School	Present enrollment R-30	Projected enrollment	Enrollment difference	Present staff (FTE) R-30		Present pupil-teacher ratio		Projected staff (FTE)		Projected pupil-teacher ratio	Difference	
					Regular	Other			Regular	Other		Regular	Other
					Total staff:				Total staff:			Total difference:	
	Notes:												

Fig. 16. Work sheet for tentative allocations—certificated staff

				1	2	3	4	5	6	7	8	9	10	11	12
	Level program object	Location/site	Base year salaries	Projected increase/ decrease in staff allocation	Projected increments	Projected negotiated increases	Total first successive year salaries	Projected increase/ decrease in staff allocation	Projected increments	Projected negotiated increases	Total second successive year salaries	Projected increase/ decrease in staff allocation	Projected increments	Projected negotiated increases	Total third successive year salaries

Fig. 17. Work sheet for projecting salaries

Level, location/site, program, object	Total base year benefits	First successive year				Total first successive year benefits	Second successive year				Total second successive year benefits	Third successive year				Tot thir succes yea benef
		STRS_% PERS_%	Social security ___%	UI ___% Wk. comp. ___%	Insurance amount $_____		STRS_% PERS_%	Social security ___%	UI ___% Wk. comp. ___%	Insurance amount $_____		STRS_% PERS_%	Social security ___%	UI ___% Wk. comp. ___%	Insurance amount $_____	

Fig. 18. Work sheet for projecting fringe benefits

Income source	Actual income FY 19__	Projected income for FY 19__	Dollar increase or decrease	Percentage increase or decrease	Notes	Actual income FY 19__	Projected income for FY 19__	Dollar increase or decrease	Percentage increase or decrease	Notes

Fig. 19. Work sheet for projecting income

Accounts	1978-79	Adjustments	1979-80	Adjustments	1980-81	Adjustments	1981-82	Adjustments	1982-83
1. Undistributed reserve (appropriation for contingencies)									
2. Appropriations carried forward									
3.									
4.									
5.									
6.									
7.									
8.									
9.									
10.									
11.									
12. Budgeted Ending Balance: a. Stores									
b. Prepaid									
c. Revolving cash									
d.									
e.									
f.									
Total restricted:									
Nonrestricted:									
Total projected ending balance									

Fig. 20. Long-range ending balance—recapitulation

Chapter VI

Communicating with the Community

"What is happening in the schools?" "How are our tax dollars being spent?" "Why is the district spending money for that program?" These questions are typical of those posed to governing boards and administrators by parents, taxpayers, school staffs, and other persons of the community. Occasionally, the questioner is handed a copy of the budget and is told, "All the answers are in here."

Many people think of the budget as a device to use to inform the public about the activities of the district. However, a budget is limited to conveying to the public the dollar resources needed and the planned utilization of those resources. Mere reporting of resources and allocations tends to raise questions rather than provide answers. An approach is needed that uses materials specifically developed for communication.

The first step in formulating an educational program that meets the needs and concerns of the community is awareness of those needs and concerns. Since the budget as represented in its present format cannot by itself accomplish this task, members of the district staff must interpret the budget in meaningful terms that will convey to the public the program needs of the district.

This chapter identifies some of the major ways in which districts might communicate with the community. Each district must consider its own needs for communication and its internal abilities and limitations in developing methods of interpreting the budget. This chapter also reviews various approaches by which interpretations of the budget are conveyed to the community. Again, the individuality of the community and the programs of the district will determine what is reported. Finally, the chapter presents a variety of examples of reporting formats that might be utilized.

What Should Be Communicated?

The lay person, as well as members of the district staff, must have a basic understanding of the budgeting process and the ongoing activities of the district, including knowledge of the following:

1. What is a budget?
2. What is the purpose of the budget?
3. What is involved in developing the budget? What sources of revenue, categories of expense, participation, and time requirements are involved?
4. What constraints affect the development of the budget?
5. How is the budget administered?

When these questions are answered, the basic foundation of knowledge is provided for understanding the budget.

Budget data are most meaningful when they are related to the instructional and support activities of the district. A district may also report a budget in program/object or other format that meets the needs of the district and community.

Additional data that should be communicated and that are essential to the development of the budget include the following:

1. Sources of revenue
2. Percent of budget for salaries and related costs
3. Salary trends/statewide average/district comparisons
4. Staffing ratios
5. Staff requirements
6. Multiyear comparison of staff size
7. Multiyear enrollment comparisons
8. Multiyear cost per pupil
9. Multiyear income and expenditure comparisons
10. Community growth or decline
11. Facility needs
12. Tax rates
13. Revenue limit
14. Board budget policies

Ways of Communicating

After the budget data have been prepared, they should be presented to the community. The method of communication will vary from district to district. The budget material may be adapted to meet the needs and interests of the particular groups.

The district may utilize various techniques in providing information to the general public or selected groups. Parent-teacher groups and other community groups may be reached through news media coverage,

personal presentations, mailings, advisory committee meetings, and so forth.

On the following pages are examples of how information has been presented by some school districts (see figures 21 through 26).

Chapter Summary

Effective communication of budget information to people other than school personnel has been a shortcoming of many districts. This chapter is presented to assist those responsible for interpreting the budget. Financial information should be geared to the audience's level of understanding of school district affairs.

Several alternative methods of providing information to the public are presented in this chapter. The governing board and staff must analyze the community and present information in a manner that meets the needs of that community.

TABLE OF CONTENTS

Financial Data
XYZ School District

Introduction 1
Budget Calendar 3
Summary of Funds 4
Fund Detail
    General Fund 5
    Building Fund 7
    Special Reserve Fund 9
    Cafeteria Fund 11
    Adult Education Fund 13
    Deferred Maintenance Fund 15
General Fund Five Year Income and Expenditures (Historical) 16
General Fund Reserves 18
Revenue Limit 19
Enrollment
    District Enrollment 20
    Enrollment by Grades 21
    Enrollment by School 22
Average Daily Attendance 24
Number of Certificated Positions (F.T.E.) 25
Number of Classified Positions (F.T.E.) 27
Employee Benefits - Certificated 29
Employee Benefits - Classified 31
Legal Budget Filing Dates 33

Fig. 21. Sample table of contents for a budget and financial report

XYZ SCHOOL DISTRICT

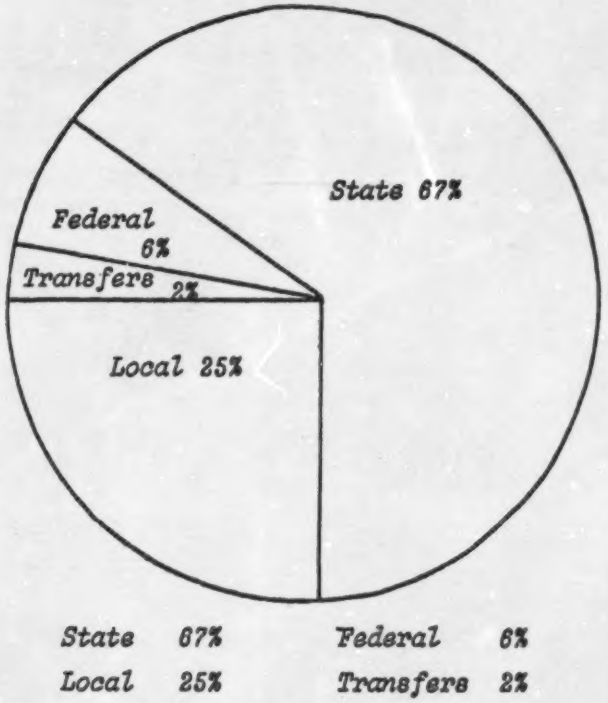
1981-82 ADOPTED BUDGET

General Fund Income

Three-Year Income Comparison

1979-80 Actual	-	$21,205,048
1980-81 Actual	-	$21,840,521
1981-82 Adopted	-	$22,300,628

Income by Source
1981-82 Adopted Budget



Income in Millions

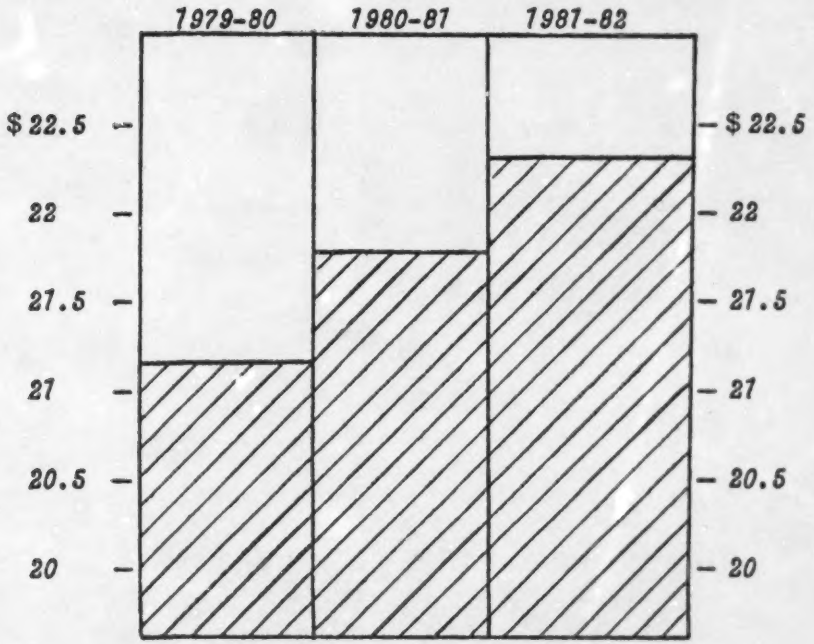
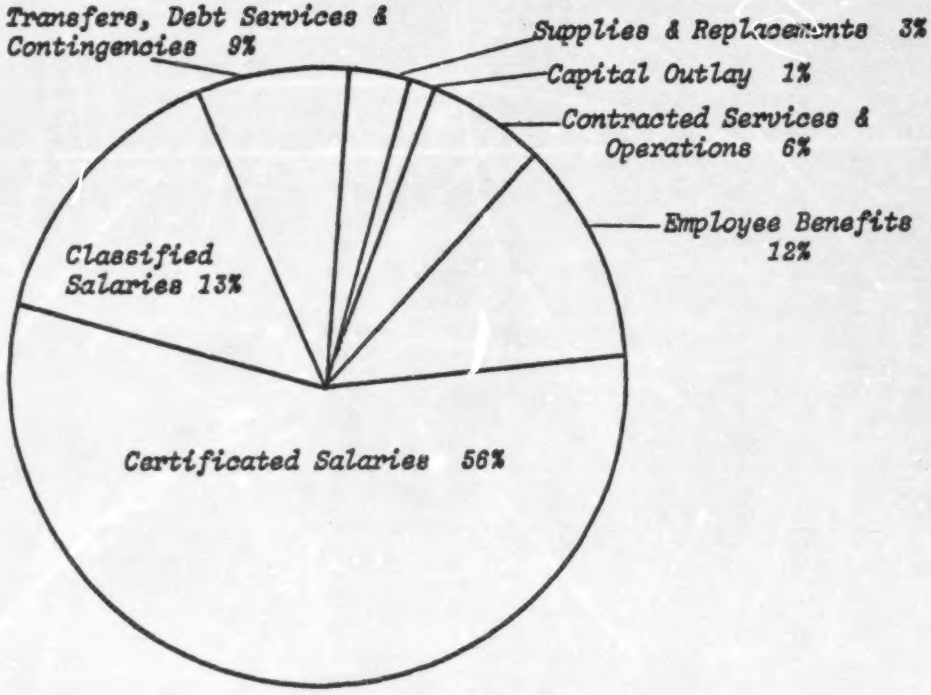


Fig. 22. Sample income charts

XYZ SCHOOL DISTRICT

1981-82 ADOPTED BUDGET

General Fund Expenditures



Employee Benefits

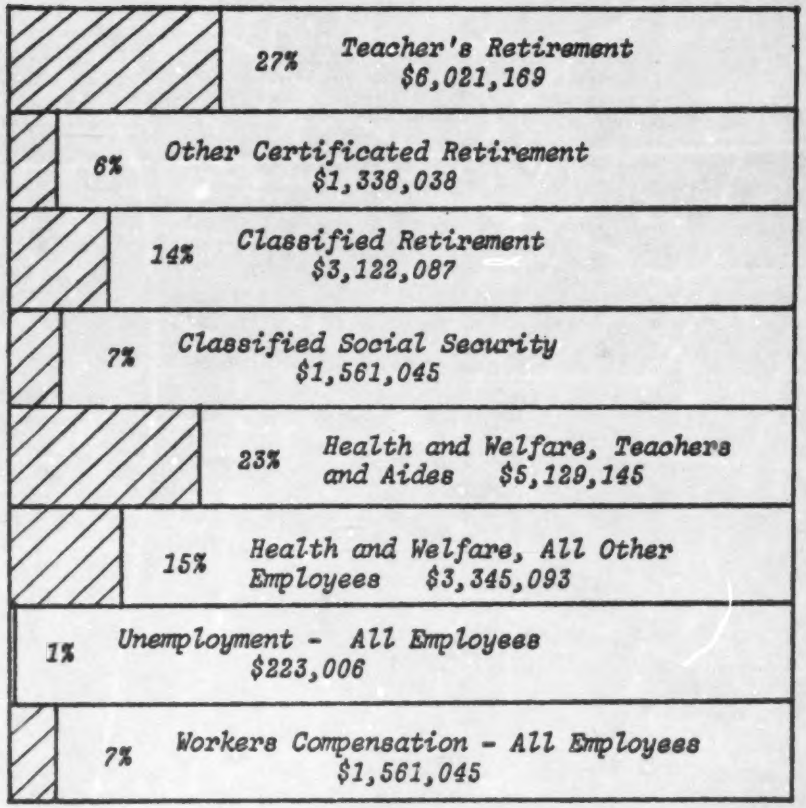

27% Teacher's Retirement $6,021,169
6% Other Certificated Retirement $1,338,038
14% Classified Retirement $3,122,087
7% Classified Social Security $1,561,045
23% Health and Welfare, Teachers and Aides $5,129,145
15% Health and Welfare, All Other Employees $3,345,093
1% Unemployment - All Employees $223,006
7% Workers Compensation - All Employees $1,561,045

Fig. 23. Sample expenditure charts

XYZ SCHOOL DISTRICT

1982/83 Calendar of Board/Community Activities

Sample Board of Education Budget Date Supplement

DATE	
9-14-81 to 11-10-81	Review and Revision of Budget Format, Calendar, and Instructions with Citizen/ Staff Committee
10-20-81	Progress Report to Board on Budget Format, Calendar, and Instructions
11-10-81	Enrollment/ADA Report on Preliminary Projections to Board
11-24-81	Board Approval of Budget Format, Calendar, and Instructions
1-12-82	Board Review of Financial Forecast
1-12-82	Board Approval of School Level Formula Allowances
1-30-82	Board Review of Enrollment/ADA Projections for Staffing Purposes
2-9-82	Board Review of Annual Work Requests, Building and Grounds
2-23-82	Review of New and Expanded Programs for Inclusion in Tentative Budget
3-1-82	Board Review of Staffing Allocations
4-10-82	Preliminary Budget - Presentation to Board of Education
4-14-82	Review of Preliminary Budget with Citizen/Staff Committee
5-11-82	Board Approval of New and Expanded Programs
6-8-82	Presentation of Tentative Budget
6-22-82	Adoption of Tentative Budget
6-23-82	Review of Tentative Budget with Citizen/Staff Committee
7-13-82	Board Review of Income Projections
7-14-82	Budget Workshops - Staff/Citizens
8-31-82	Public Hearing and Board Approval of Adopted Budget

Fig. 24. Sample calendar for board and community activities

XYZ SCHOOL DISTRICT

DISTRICT BUDGET BY MAJOR PROGRAMS

	General fund	All Other funds	Total, all funds
INSTRUCTIONAL PROGRAMS			
General Education:			
Preformal			
Elementary			
Secondary			
Regional Occupational Centers or Programs			
Adult			
Total General Education			
Total Special Education			
TOTAL INSTRUCTIONAL PROGRAMS			
SUPPORT SERVICE PROGRAMS (DISTRICT TOTALS)			
Special Projects (Federal and State Categorical Aid Programs)			
Instructional Support:			
Instructional Administration			
Instructional Media			
School Administration			
Total Instructional Support			
Pupil Services			
General Support:			
District and County Superintendents Admin.			
Maintenance			
Operations			
Transportation			
Total General Support			
TOTAL SUPPORT SERVICE PROGRAMS			
AUXILIARY PROGRAMS			
Community Services			
Food Services			
Facility Acquisition and Construction			
TOTAL AUXILIARY PROGRAMS			
TOTAL INSTRUCTIONAL PROGRAMS, SUPPORT SERVICE PROGRAMS, AND AUXILIARY PROGRAMS			
OTHER OUTGO			
Tuition			
All Other Outgo			
TOTAL OTHER OUTGO			
Appropriation For Contingencies			
Net Ending Balances			
GRAND TOTAL, EXPENDITURES FOR INSTRUCTIONAL PROGRAMS, SUPPORT SERVICE PROGRAMS, AUXILIARY PROGRAMS, OTHER OUTGO, AND NET ENDING BALANCES			

Fig. 25. Sample district budget

XYZ SCHOOL DISTRICT

General Fund Budget

A school district budget contains the proposed income and expenditures to facilitate the goals and objectives of the district.

All expenditures are reported in accordance with object accounting categories established by the ***California School Accounting Manual.*** Object expenditures refer to the nature of the expenditure or "for what--i.e., salaries, supplies, equipment, and benefits."

In addition, the expenditures are referred to by program. A program is defined as a grouping of proposed objects of expenditures to the series of activities they are intended to support. When objects of expenditures are so grouped, they form a program expenditure budget.

Program Reporting

The two major district programs are as follows:

1. ***All instructional programs:*** This major (Level II) program includes all costs for the direct instruction of pupils.
2. ***Support programs:*** This major (Level II) program includes the cost of all activities which support the instructional programs.

Object of Expenditure	All Instructional Programs	Support Programs	Total General Fund Budget
Certificated Salaries	$ 186,200	$ 80,000	$ 266,200
Classified Salaries	15,250	10,000	25,250
Employee Benefits	43,250	15,500	58,750
Books & Supplies	12,050	5,000	17,050
Equipment Replacement	3,250	4,000	7,250
Contracted Services	1,000	2,000	3,000
Other	200	500	700
Capital Outlay	4,450	2,000	6,450
Other Outgo	10,000	5,000	15,000
Total Expense	275,650	124,000	399,650
Ending Balance/Reserves		20,000	20,000
Total Budget	$275,650	$144,000	$419,650

Instructional programs are further sub-divided into 2 major programs.

Object of Expenditure	General Education	Special Education
Certificated Salaries	$ 166,200	$ 20,000
Classified Salaries	13,850	1,400
Employee Benefits	41,250	2,000
Books & Supplies	11,050	1,000
Equipment Replacement	3,050	200
Contracted Services	1,000	--
Other	200	--
Capital Outlay	4,300	150
Other Outgo	2,000	8,000
Total Expense	$ 242,900	$ 32,750

AND/OR

K-12 General Education Instructional Program

K-6	7-8	9-12
$98,850	$41,500	$130,650

K-12 Special Education Programs

K-6	7-8	9-12	Adults
$17,300	$6,700	$5,650	$8,000

DISTRICT TOTAL

K-6	7-8	9-12	Adults
$98,850	$41,500	$127,300	$8,000

Support programs are further sub-divided into 5 major programs.

Object of Expenditure	Instructional Support	Special Projects	Pupil Service	General Support	Auxiliary Programs
Certificated Salaries	$40,000	$20,000	$20,000	$ -	$ -
Classified Salaries	2,000	1,000	2,000	4,000	1,000
Employee Benefits	5,500	4,000	4,000	1,500	500
Books & Supplies	2,500	2,000	500	-	-
Equipment Replacement	1,000	1,000	1,000	1,000	-
Contracted Services	1,000	500	500	-	-
Other	-	250	-	250	-
Capital Outlay	500	-	-	-	1,500
Other Outgo	3,000	2,000	-	-	-
Total Expense	$55,500	$30,750	$28,000	$ 6,750	$ 3,000
End. Bal/Reserves	-	-	-	20,000	-
Total Budget	$55,500	$30,750	$28,000	$26,750	$ 3,000

OR

These programs may be further detailed to Level IV or they may be shown in summary form as follows:

Instructional Support	$55,500
Special Projects	30,750
Pupil Service	28,000
General Support	26,750
Auxiliary Programs	3,000
Total Budget	$144,000

Fig. 25. Sample district budget (continued)

XYZ School District

We transport 3,500 students daily to and from school utilizing 10 full-time bus drivers. Our buses travel over 600 miles per day carrying students who live more than 3/4 mile from school or who would have to walk alongside hazardous thoroughfares where there are no sidewalks.

Additionally, we contract with a private firm to provide transportation for physically handicapped students. Most repair and service is done by a mechanic, although some unique repair work must be done commercially. The budget for operating the transportation program is $162,000; this amount is allocated as follows:

TRANSPORTATION PROGRAM BUDGET

Classified Salaries	$79,000
Supplies	13,000
Equipment Replacement	16,000
Services	42,000
Employee Benefits	12,000
	$162,000

This year we will begin a three-year lease, with option to purchase, of a new 79-passenger diesel engine bus to replace an 18-year-old bus with over 175,000 miles on it. We will spend $13,000 for fuel, oil, tires, batteries, and other supplies.

Fig. 26. Sample program budget

XYZ School District
CAREER BUSINESS EDUCATION PROGRAM

"Distribution" (or sales) is the grease for the wheels of the American economy. Did you know that "your school district" offers its students a chance to learn the basics of distribution, retailing, and salesmanship? Our Cooperative-Distribution Education Program offers on-the-job training combined with classroom reinforcement that will allow your child a chance to learn how to make a living in the world of sales. Students learn how to estimate the need, order the right sizes and quantities, approach the customer, close the sale, and deliver the goods to a satisfied customer. Remember, 80 percent of the jobs in this economy are in these areas.

CAREER BUSINESS EDUCATION
PROGRAM BUDGET

Certificated Salaries	$60,000
Classified Salaries	10,000
Employee Benefits	6,000
Books & Supplies	10,000
Equipment Replacement	1,000
Contracted Services	1,000
Other	100
Capital Outlay	3,000
Total Budget	$91,100

There are opportunities for 130 students in this program. They will be taught in the classroom by a teacher who is qualified in these areas and supervised on the job by a coordinator who has earned his/her own living in the world of business.

Fig. 26. Sample program budget (continued)

Chapter VII

Evaluating the District Budget

A school district's budget provides the essential ingredients for the operation of the school system. Serious failings will occur in plans or programs if adequate finances are not provided. Efficient school management requires that the budget be prepared in accordance with a well-defined plan that includes the following:

- Formulation of budget policies
- Formulation of fiscal policies
- Identification of and provisions for meeting needs
- Efficient utilization of all pertinent data
- A balance between revenue and expenditures, including reserves
- Presentation, publication, and final adoption of the budget

The budget should be evaluated in relation to fulfillment of district philosophy, development processes, ability to relate resources to programs, and district administration.

Budget Philosophy

The assessment of the budget should be made in relation to the philosophy of the district as established by the governing board. The philosophy indicated in the district policies should present a sound, practical, and objective plan for the preparation and control of the budget.

The philosophical viewpoint of the district should be reflected in policies that are specific, such as class size, salaries, and formulas for allocating resources for instructional and support programs. Other considerations to be evaluated are the purposes of the budget and the steps taken to achieve these purposes. Constant changes in programs necessitate that policies be constantly reexamined and evaluated.

Budget Development

Accurate development of the budget should be considered in the evaluation process. Evaluation may be based on the steps taken in the budgeting process, such as planning, preparation, presentation, adoption, execution, and appraisal.

The factors to be considered in developing a budget are the educational program to be maintained, staff, supplies, equipment, facilities, and resources available. The development of a budget depends on the involvement of all employees of the district. Staff members should be aware that the budget is not strictly a business office document. It is, rather, a complete financial picture of the district programs, and it should be used by all departments as a management tool.

During the evaluation consideration should be given to legal requirements, budget cycle and calendar, persons responsible for budget development, and the budget adoption process. The development process includes estimating revenues, estimating possible deficits, and computing expenditures for all budgeted funds.

Budget Program

A third area of evaluation is related to program budgeting. Factors such as goals, objectives, and program structure of the district may be considered. Decisions regarding the allocation of resources, staff, equipment and supplies, or time rely on the success of programs in relation to the long-range goals and objectives. The total requirements of the district are reflected in the programs; and, if evaluated accurately, the budget will be meaningful to staff members, members of governing boards, legislators, and members of the community.

Budget Administration

Administration of the budget is usually the responsibility of the assistant superintendent for business or the business manager. The responsibilities include, but are not limited to, budget information and controls through monthly financial reports to the governing board and staff and utilization of the correct forms for budget control. In addition, accurate income projections and cost analyses are the factors which make budgeting a process that is continuous. The procedure should be definitive, and it should be clearly understood by those who are responsible for the administration of the district budget. An understanding of the fundamental budget elements will increase efficiency and expediency of budget administration.

Phases of budget evaluation include the establishment of goals and objectives before the budget year begins, constant evaluation of balances within funds during the year, and, finally, achieving program objectives.

During the year evaluation should be made at predetermined intervals. Fiscal evaluation should include detailed examination of income by source with notations of possible deficits, appropriations, encumbrances, and expenditures in individual accounts, programs, and funds, as well as for the total budget.

Evaluation will indicate the success of allocating resources and expenditures to programs. Such evaluation will help in reducing or eliminating fiscal weaknesses or problems. Evaluation of the areas of the budget (philosophy, development, administration, and programs), together with the educational and instructional evaluations of the staff, should lead to reasonable and concisely planned decision making for the future. The evaluative process of the budget involves the entire staff in all programs on a continuing basis.

Appendix

Suggested Budget Checklist

The administration of the school district budget should be subjected to constant evaluation. This evaluation may be made in a variety of ways, one of which is by using the following checklist. Consideration is given to each phase of the budget procedure.

	Yes	*No*
Legal Requirements		
Does the district file a tentative budget on the prescribed budget form with the county superintendent of schools on or before the first day of July?	—	—
When the district's tentative budget is returned by the county superintendent of schools, does the district make all changes in the budget that are desirable or necessary?	—	—
Does the district hold a public hearing prior to the end of the first week in September regarding its budget as published by the county superintendent of schools?	—	—
When the budget has been finally adopted, does the district file the budget with the county superintendent of schools on or before the seventh day of September?	—	—
Annual Budget (All Funds)		
Does the district have a calendar covering all necessary budgeting activities throughout the year?	—	—
Is policy status given to such budgetary activities as the following:		
Scope of program?	—	—
Class size?	—	—
All salary schedules?	—	—
Supplies and equipment?	—	—
Needs for facilities?	—	—
Other needs, such as insurance, tuition, and reserves?	—	—
Does an administrator of the district equalize budgetary requests from various departments and levels on an equitable basis?	—	—
Does this equalizing process rest to a large extent on a body of policy statements sufficiently broad to form a sound basis?	—	—
Does the district have an adequate system of forms for use in assembling, on a uniform basis, written expressions of need from all departments and divisions?	—	—
Has the district adopted policy statements covering such budgetary matters as supplies and equipment on a per pupil basis?	—	—
In budgetary areas in which policies are not involved (for example, exceptional requests), does a district administrator consult fully with staff members before making budget recommendations to the board?	—	—
Is the staff given opportunity to become familiar with the district's total budget?	—	—
Does the district, in estimating income for the budget, make careful analysis of such items affecting income as the following:		

	Yes	*No*
Revenue limits?	—	—
Deficits in income?	—	—
Growth or decline in enrollment?	—	—
Special-purpose allowances and special allowances?	—	—
Assistance available from the office of the county superintendent of schools?	—	—
Public Law 864?	—	—
Public Law 874 and Public Law 815?	—	—
VEA?	—	—
ECIA?	—	—
Other federal subventions?	—	—
Does the district's budgetary procedure provide for adequate reserves?	—	—
Does the district provide for the dissemination to the general public of budgetary information other than that required by law?	—	—
Does the district hold public budget hearings?	—	—
Does the district regard the budget as information to be open to the public at all times?	—	—
Does the district make the public aware that the school budget is a public document?	—	—
In presenting the budget recommendations to the board, does the administrator explain fully the reasons for any deviations from former budgets?	—	—

Use of General Fund Budget in Administering Schools

Does the district's budget program cover adequately the following phases:		
Preparation?	—	—
Presentation?	—	—
Adoption?	—	—
Administration?	—	—
Evaluation?	—	—
Does the district's budget program make provision for continuous review of the following:		
Income?	—	—
Expenditures?	—	—
Is a cash-flow chart maintained showing the amounts of income and the dates when the income will be received from each source?	—	—
Does the district have a purchasing calendar so arranged as to take optimum advantage of such factors as the following:		
Time of year item is needed?	—	—
Availability of money to take advantage of cash discounts?	—	—
Market conditions?	—	—
Does the district exercise budgetary control through periodic reports?	—	—
Does the district meet all legal and district requirements for making budgetary data available to the public?	—	—
Does an administrator make available to the governing board on a scheduled basis all the information necessary to determine the status of the budget?	—	—
Is the information in the hands of each board member far enough in advance of the forthcoming board meeting so that it can be evaluated prior to the meeting?	—	—
Are all employees, classified and certificated, kept currently informed regarding the extent to which budgetary provisions have been carried out?	—	—

	Yes	*No*
Community Participation		
Does the district have a planned approach to the need for creating and maintaining in the community a "we" attitude toward the schools?	—	—
Are the pupils recognized by the board and administrator as the prime avenue through which community sympathy and support can be secured for the public schools?	—	—
Does the district have a budget committee?	—	—
Does the district make an organized effort to utilize the individual members of the staff (administrative, instructional, and others) as ambassadors for the creation of community understanding of school issues?	—	—
Does the district give its employees material that can be used to inform the community regarding such budgetary matters as the following:		
An explanation of all sources of revenue (local, state, and federal)?	—	—
An analysis of proposed budgeted expenditures?	—	—
A comparison of proposed expenditures with expenditures for previous years?	—	—
A comparison of proposed expenditures with those of comparable districts?	—	—
An explanation of special programs?	—	—
An analysis of costs?	—	—
Does the district make individual assignments to staff members in creating proper community support along such lines as the following:		
Providing information to regular groups?	—	—
Consulting with special groups?	—	—
Participating in budget hearings?	—	—
Assisting in the preparation of information?	—	—
Does the governing board of the district, collectively as a board and as individuals, accept as one of its major areas of responsibility the interpretation of the program and activities of the schools to their community?	—	—
Does the district take full advantage of such news media as the following in securing and maintaining harmony between the community and its schools:		
Newspapers?	—	—
Radio?	—	—
Television?	—	—
School bulletins?	—	—
Does the district utilize existing community groups, such as those that follow, as agencies through which the schools can be interpreted to the general public:		
The PTA?	—	—
Service clubs?	—	—
Fraternal organizations?	—	—
Chamber of commerce?	—	—
Taxpayers' association?	—	—
Labor organizations?	—	—
American Association of University Women?	—	—
League of Women Voters?	—	—
Does the district endeavor to meet its responsibility to understand the community it serves?	—	—
Long-Range Budget Considerations		
Does the district establish and prioritize goals that are to be achieved through long-range budget planning?	—	—

	Yes	*No*
Does the district make continual reevaluation of projections and plans in the light of new information and changing philosophies?	—	—
In projecting school populations, does the district give consideration to such factors as the following:		
The number of children of preschool age?	—	—
Birthrate trends?	—	—
Flow of population into and out of the school district?	—	—
Industrial and commercial development that may affect the growth rate?	—	—
Housing developments that may affect the growth rate?	—	—
Building plans of nonpublic schools?	—	—
Changes in attendance patterns of students?	—	—
Potential annexations or changes in district boundaries?	—	—
Unemployment rate within local labor force?	—	—
Plans of such local agencies as the following:		
Electric companies?	—	—
Gas companies?	—	—
Telephone companies?	—	—
Sewer department of city?	—	—
Street department of city?	—	—
Planning commission?	—	—
Does the district recognize the effect that changes in school population and economic trends will have on such items as the following:		
Staffing positions?	—	—
Salary and retirement costs, including collective bargaining agreements?	—	—
Support services and costs?	—	—
If the district has a building program, are adequate budget provisions made for such purposes as those that follow:		
Planning the program?	—	—
Employing consultants?	—	—
Meeting expenses of bond elections?	—	—
Purchasing sites or options on sites with current funds?	—	—
Purchasing equipment not provided for in bond funds?	—	—
Purchasing the supplies required by new schools?	—	—
Purchasing the library materials needed?	—	—
Sale or lease of surplus sites, buildings, or other property?	—	—
Does the district's long-range budget planning contain provision for such changes or improvements in the educational program as the following:		
Improvement of the curriculum?	—	—
Extension of supervisory services?	—	—
Extension of the program for exceptional children?	—	—
Extension of pupil personnel services?	—	—
Addition of new programs of instruction?	—	—
Does the district maintain a well-developed curriculum guide for use in planning the budget?	—	—
Does the district recognize the necessity of gradual termination of budget provisions for programs as these provisions become less needed or less appropriate?	—	—

	Yes	*No*
Does the district, in its long-range budgetary planning, identify needs for such in-service programs as the following:		
Training of potential administrative personnel?	—	—
Improvements in instructional personnel?	—	—
In-service training of classified personnel?	—	—
Does the district, in its long-range budgetary planning, provide for scheduling necessary maintenance costs of existing facilities in such a way as to develop an effective program over the years for the following:		
Painting and renovating of buildings?	—	—
Repairing and replacing equipment and furniture?	—	—
Renovating playgrounds and grounds facilities?	—	—
In assessing the possibility of increased future financial support, does the district find that its long-range budgetary planning includes the following:		
Local taxes?	—	—
State apportionments and sources?	—	—
Federal subventions?	—	—
Miscellaneous revenues?	—	—
Has the revenue limit for future years been projected on the basis of estimated enrollments?	—	—

Selected References

I. The following publications, listed with dates of publication and selling prices, may be obtained from:

California State Department of Education
Bureau of Publications Sales
P.O. Box 271
Sacramento, CA 95802

Administration, Statistics, School Finance	
Accounting Procedures for Student Organizations (1979)	$1.50
Administration of Public School Transportation (1972)	1.25
Administration of the School District Risk Management Program (1977)	2.50
Attendance and Enrollment Accounting in California Public Schools (1977)	2.80
California Public Schools Selected Statistics, 1978-79 (1981)	1.50
California School Accounting Manual, 1980 Edition (1981)	2.50
California School Business Procedures and Management In-Service Training (1980)	1.50
California Schools Beyond Serrano (1979)	.85
CBEDS Data Users' Guide (1981)	NC
Fiscal and Compliance Management Manual (In binder) (1980), with 1982 Updates	9.00
Liability Insurance in California Public Schools (1978)	2.00
Ratios of Public School Nonteaching Employees to Classroom Teachers (1980)	.85
Salaries of Certificated Staff in California Public Schools, 1980-81 (1982)	NC
Site Management (1977)	1.50
Adult Education	
Planning Process for Adult Education (1979)	2.00
Career Education	
Implementing Career Education: An Administrator's Handbook (1976)	.85
Child Development	
Child Development Guidelines (1979)	2.50
State Preschool Guidelines (1980)	1.50
Elementary, Early Childhood Education	
Putting It Together with Parents (1979) (Also available in Spanish)	.85
Facilities Planning for Schools	
California School Energy Concepts (1978)	.85

Remittance or purchase order must accompany order. Purchase orders without checks are accepted only from government agencies in California. Sales tax should be added to all orders from California purchasers.

II. The following federal publications (rules and regulations) may be obtained from:

Superintendent of Documents
U.S. Government Printing Office
Washington, DC 20402

Item No.	*Title*
100a.524	Conflict of Interest: Purpose of
100a.525	Conflict of Interest: Participation in a Project
100a.530	General Cost Principles
100a.531	Limit on Total Cost of a Project
100a.532	Use of Funds for Religion Prohibited
100a.533	Acquisition of Real Property; Construction
100a.560	General Indirect Cost Rates; Exceptions
100a.561	Approval of Indirect Cost Rates

100a.562	Indirect Cost Rates for Educational Training Projects
100a.563	Restricted Indirect Cost Rate—Programs Covered
100a.564	Restricted Indirect Cost Rate—Formula
100a.565	Administrative Charge
100a.566	Fixed Charges
100a.567	Other Expenditures
100a.568	Using the Restricted Indirect Cost Rate

III. The following is a list of books which should be included in a school district library:

Accounting Procedures for Student Organizations. Sacramento: California State Department of Education, 1979.*

California School Accounting Manual, 1980 edition. Sacramento: California State Department of Education, 1981.*

Education Code. Sacramento: California State Department of General Services, 1979.†

McGregor, Douglas. *The Professional Manager.* New York: McGraw-Hill Book Company, 1967.

McManama, John. *Systems Analysis for Effective School Administration.* West Nyack, N.Y.: Parker Publishing Company, 1971.

Nelson, D. Lloyd, and William M. Purdy. *School Business Administration.* Lexington, Mass.: Heath Lexington Books, 1971.

Principles of Public School Accounting. State Educational Records and Report Series: Handbook II-B. Washington, D.C.: U.S. Department of Health, Education, and Welfare, 1967.

In addition, the following textbooks should be included. No specific reference is listed as the most current edition can be obtained from the bookstore:

A text on: Governmental accounting
Cost accounting principles
Zero base budgeting

*See list on page 60 for ordering information.
†The Education code is available from the Publications Section, Department of General Services, P.O. Box 1015, North Highlands, CA 95660.

Other Publications Available from the Department of Education

Administration of the School District Budget is one of approximately 500 publications that are available from the California State Department of Education. Some of the more recent publications or those most widely used are the following:

Accounting Procedures for Student Organizations (1979)	$1.50
Administration of the School District Budget (1983)	3.00
Bilingual Program, Policy, and Assessment Issues (1980)	3.25
California Private School Directory	9.00
California Public School Directory	12.50
California Public Schools Selected Statistics	1.50
California School Accounting Manual (1981)	2.50
California's Demonstration Programs in Reading and Mathematics (1980)	2.00
Discussion Guide for the California School Improvement Program (1978)	1.50*†
District Master Plan for School Improvement (1979)	1.50*
Education of Gifted and Talented Pupils (1979)	2.50
Establishing School Site Councils: The California School Improvement Program (1977)	1.50*†
Foreign Language Framework for California Public Schools (1980)	2.50
Guide to School and Community Action (1981)	1.75
Guidelines and Procedures for Meeting the Specialized Health Care Needs of Students (1980)	2.50
Guidelines for School-Based Alcohol and Drug Abuse Programs (1981)	1.00
Handbook for Planning an Effective Mathematics Program (1982)	2.00*
Handbook for Planning an Effective Reading Program (1979)	1.50*
Handbook for Planning an Effective Writing Program (1982)	2.00*
History—Social Science Framework for California Public Schools (1981)	2.25
Improving the Human Environment of Schools (1979)	2.50
Instructional Materials Approved for Legal Compliance (1981)	3.50
Interim Guidelines for Evaluation of Instructional Materials with Respect to Social Content (1981)	1.50
Manual of First Aid Practices for School Bus Drivers (1980)	1.25
Mathematics Framework for California Public Schools, with 1980 Addendum (1982)	2.00
Monograph on Staff Development (1980)	1.50
New Era in Special Education: California's Master Plan in Action (1980)	2.00
Pedestrian Rules of the Road in California—Primary Edition (1980)	1.50
Physical Performance Test for California, Revised Edition (1982)	1.50
Planning for Multicultural Education as a Part of School Improvement (1979)	1.25*
Planning Handbook (1978)	1.50*
Proficiency Assessment in California: A Status Report (1980)	2.00
Proficiency Skill Development Kit (1980)	7.50
Putting It Together with Parents (1979)	.85†
Reading Framework for California Public Schools (1980)	1.75
Relationship Between Nutrition and Student Achievement, Behavior, and Health (1980)	4.00
Science Education for the 1980s (1982)	2.00*
Science Framework for California Public Schools (1978)	1.65
School Improvement: Making California Education Better (brochure) (1982)	NC*
Student Achievement in California Schools	2.00
Students' Rights and Responsibilities Handbook (1980)	1.50†
Teaching About Sexually Transmitted Diseases (1980)	1.65
Toward More Human Schools (1981)	1.75
Visual and Performing Arts Framework for California Public Schools (1982)	3.25

Orders should be directed to:

California State Department of Education
P.O. Box 271
Sacramento, CA 95802

Remittance or purchase order must accompany order. Purchase orders without checks are accepted only from government agencies in California. Sales tax should be added to all orders from California purchasers.

A complete list of publications available from the Department may be obtained by writing to the address listed above.

*Developed for implementation of School Improvement.
†Also available in Spanish at the price indicated.

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81-146 03-0396 300 3-83 6M